

1 What is a disadvantage of being a sole trader?

- A Can only have one employee
- B Cannot share business ownership
- C Legally required to produce a business plan
- D Must pay corporation tax

Your answer

[1]

2 What is a financial method of motivation that a restaurant manager may use?

- A An award scheme for the chefs to develop low cost meals
- B Introduce profit sharing for the chefs
- C Make staff pay for any glasses or plates they break
- D Praise staff who suggest how the restaurant could save money

Your answer

[1]

3 What is a benefit to the local community of a nearby carpet factory extending its operating hours?

- A A wider choice of carpet designs will be available
- B Increased road congestion from more lorries delivering textiles
- C More job opportunities will be created
- D The business will pay higher taxes

Your answer

[1]

4 What is one of the 'four Ps' of the marketing mix?

- A Penetration
- B Place
- C Planning
- D Profit

Your answer

[1]

5 A clothing designer may choose to flatten its organisational structure to reduce the:

- A creativity of its garment designers
- B independence of its fabric buyers
- C need for innovation and change
- D time it takes to respond to changes in fashion

Your answer

[1]

6 Two brothers are currently unemployed. They decide to set up their own window cleaning business, trading as a partnership.

What is an entrepreneurial risk for the brothers?

- A Cold weather
- B Paying taxes
- C Poor health
- D Slippery ladders

Your answer

[1]

7 What is **not** a benefit to a golfing equipment retailer of training its sales assistants?

- A To help staff give advice on which golf clubs to buy
- B To increase the sales of golf umbrellas and waterproof clothing
- C To motivate staff to assist customers who are trying on golf shoes
- D To reduce the time it takes to make golf bags and golf trolleys

Your answer

[1]

8 One purpose of marketing at a library is to:

- A advertise for an apprentice librarian
- B encourage more families to use the library
- C provide better training for librarians
- D update the library's stock of books

Your answer

[1]

9 A business has recently changed its main objective from ‘survival’ to ‘growth’.

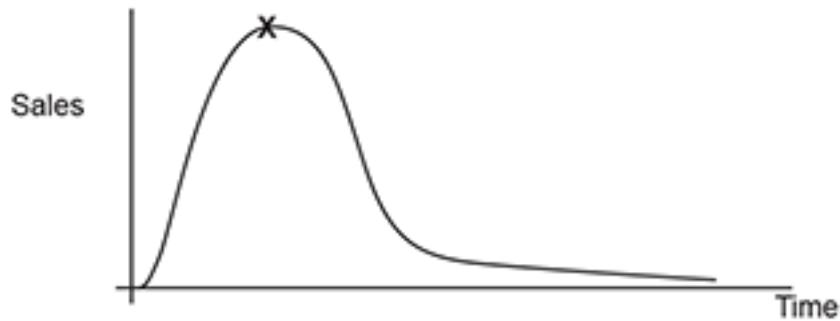
What would **most** likely explain this change of objective?

- A The business has become too big
- B The business has reduced its productivity
- C The business is experiencing high demand
- D The business needs to lower its costs

Your answer

[1]

10 The current position of a product is shown by X on the product lifecycle diagram.



According to the diagram:

- A sales grew rapidly but the product is now in maturity
- B sales grew slowly but the product is now in decline
- C the product continues to be highly profitable
- D the product is experiencing a rapid decline

Your answer

[1]

11 What is a benefit to a patient of receiving communication from their hospital doctor by email rather than by letter?

- A Doctors receive confirmation of receipt when the email is opened
- B Emails can contain hyperlinks to further information about treatments
- C Emails save money by reducing stationery, printing, and postal costs
- D Multiple medical appointments can be sent out at the same time

Your answer

[1]

12 What impacts are a customer boycott **most** likely to have on a business?

- A External growth, reduced profit, increased dividends
- B Fewer customers, reduced profit, increased market share
- C Improved brand image, more customers, increased profit
- D Worsened reputation, lower sales, reduced profit

Your answer

[1]

13 An independent toy business is seeing fewer potential customers visit its shop.

Which change to its marketing mix may help the business solve this problem?

- A Introduce price skimming across the full range of toys
- B Offer free superhero stickers and badges to all visitors
- C Reduce the number of 'pre-school toy' loss leaders offered
- D Use digital distribution channels for outdoor toys

Your answer

[1]

14 Two vets agree to combine their practices and operate as one business.

This is an example of a:

- A diversification
- B horizontal takeover
- C merger
- D vertical takeover

Your answer

[1]

15 A business with a tall organisational structure will have:

- A a high market share
- B lots of distribution channels
- C multiple layers of authority
- D short chains of command

Your answer

[1]

J Sainsbury plc (Sainsbury's)

Sainsbury's is one of the UK's largest supermarket chains. Sainsbury's targets middle to high income customers nationally. Sainsbury's is owned by shareholders who have limited liability.

The supermarket industry is very competitive, and marketing promotions are important. An example is Sainsbury's price match against similar products sold by Aldi, one of its competitors. Sainsbury's also spends a large proportion of its marketing budget on television advertising.

Developing new products is important to remain competitive, as customers are always looking for something new. Sainsbury's uses market segmentation to support successful product development.

Sainsbury's managers believe that good food should be accessible to everyone. They use primary market research to ensure the business develops products that meet the needs of its customers.

Explain **one** way that limited liability affects the owners of a company.

[2]

(b) Explain **three** advantages for Sainsbury's of using television to advertise its products.

1

2

3

[6]

(c) Analyse **one** likely reason why Sainsbury's uses market segmentation when developing new products.

[3]

(d)

- i. Identify two primary market research methods.

1

2

[2]

- ii. Evaluate whether Sainsbury's should use primary or secondary market research methods in the future.

[7]

17(a) Text 2

C & J Clark International Ltd (Clarks)

Clarks is a successful UK footwear brand with ranges for children, women, and men. Their market is very competitive. Clarks employs specialist designers who create new shoe styles in response to fast-changing fashion trends. The designers interpret quantitative data carefully when planning new shoe styles.

The designers work closely with employees from other functional areas of the business, such as marketing, finance, and retail, to ensure that the new shoe styles meet customers' needs profitably.

Clarks works hard to retain its team of designers, as they are central to its success. However, Clarks sometimes needs to recruit new designers and uses several selection methods to help find the best person available to fill the vacancy.

State **two** aspects of employment law that may affect a business.

1

.....

2

[2]

- (b) Analyse one advantage for Clarks of interpreting quantitative data when designing new products.

[3]

[3]

(c) Explain **three** reasons why employee retention is important for Clarks.

1 _____

2 _____

3 _____

[6]

(d)

- i. Analyse **one** advantage for Clarks of using interviews to select new designers.

- ii. Analyse one advantage for Clarks of using references to select new designers.

[3]

- iii. Recommend whether using interviews or references is likely to be more effective for selecting new designers. Give a reason for your answer.

[3]

SJ Salon

SJ Salon is a hair salon owned by Sam and Jamila. The business partners met whilst studying hairdressing at college. The partners' creativity has helped make the salon very successful. SJ Salon is currently the only salon in town and uses cost-plus pricing.

Sam and Jamila are qualified hairdressers who work full-time in the salon. Until recently, the partners employed one part-time and one full-time worker who works 40 hours per week. However, due to increasing customer demand, two additional part-time employees have recently been recruited.

Sam and Jamila have just found out that a national hairdressing chain is planning to open a new salon in their town. They are concerned about the impact of this competition. The partners asked 200 current customers to complete a short questionnaire. The results show that:

- 130 of the customers have used SJ Salon since 2019
- 104 of the customers were aware of the national hairdressing chain
- 84 of the customers would consider trying the new hair salon, if its prices were cheaper
- 66 of the customers consider quality of service to be more important than price.

When SJ Salon was set up in 2014, Sam wrote a business plan. He has not written another one since then, as the business has been profitable. However, Sam now thinks that a new business plan should be written to help the business succeed against any new competition. Jamila disagrees, as the original business plan took Sam 30 hours to write. She feels that his time would be better spent keeping current customers satisfied.

Creativity is one characteristic of an entrepreneur.

Identify **one** other characteristic of an entrepreneur.

[1]

(b) Analyse two advantages for SJ Salon of using cost-plus pricing.

1

2

[6]

(c) Sam and Jamila want to improve communication with their employees now that the size of the workforce has increased. They are considering two methods:

- a weekly team meeting which all employees will be expected to attend
- a weekly email sent to all employees.

i. Analyse **one** advantage for SJ Salon of each method of communication.

Weekly team meeting

Weekly email

- ii. Recommend whether a weekly meeting or a weekly email would be the more appropriate method of communication for SJ Salon to use. Give a reason for your answer.

- (d) Evaluate, using the data in **Text 3**, whether Sam should write a new business plan.

[9]

END OF QUESTION PAPER

Mark Scheme

Question		Answer/Indicative content	Marks	Guidance
1		B	1	1b
		Total	1	
2		B	1	2
		Total	1	
3		C	1	2
		Total	1	
4		B	1	1a
		Total	1	
5		D	1	2
		Total	1	
6		C	1	<p>Examiner's Comments</p> <p>This question was testing candidates' understanding of the term 'risk' in the context of being an entrepreneur. The correct response (C) was selected by only one third of candidates. Incorrect answers were evenly split across the other three options. This indicates a lack of understanding of this business concept. 'Paying taxes' is a business cost. 'Cold weather' and 'slippery ladders' are hazards that window cleaners are likely to encounter. The only risk listed relates to potential harm to the entrepreneurs' health.</p> <p>Assessment for learning</p>  <p>Centres are advised not to overlook the third bullet point of Topic 1.1 on the specification, i.e. The concept of risk and reward.</p>
		Total	1	
7		D	1	2
		Total	1	
8		B	1	2
		Total	1	

Mark Scheme

Question		Answer/Indicative content	Marks	Guidance
9		C	1	1b
		Total	1	
10		A	1	2
		Total	1	
11		B	1	2
		Total	1	
12		D	1	1b
		Total	1	
13		B	1	<p>2(PS)</p> <p><u>Examiner's Comments</u></p> <p>This question was testing topic 2.4 of the specification, bullet point three, 'the use of the marketing mix to inform and implement business decisions', with particular emphasis on fewer customers visiting the shop. The correct answer (B) was selected by approximately one third of candidates. Incorrect answers were split between (A) and (D). This suggests poor understanding of pricing methods and distribution channels.</p>
		Total	1	
14		C	1	2
		Total	1	
15		C	1	1a
		Total	1	

Mark Scheme

Question		Answer/Indicative content	Marks	Guidance
16	a	<p>Explain one way that limited liability affects the owners of a company.</p> <p>Knowledge/understanding may include:</p> <ul style="list-style-type: none"> • Owners/shareholders can only lose up to the amount originally invested • Shareholders not required to repay/not personally liable for the company's debts • The owner's personal assets are protected/not at risk/cannot be taken from them • Due to separate legal identity/incorporation • Less stress/worry/concern/risk/more financial security for shareholders • Shareholders may be willing to take more risks • May encourage shareholders to invest more <p>Exemplar responses:</p> <p>Owners cannot lose more than the amount originally invested (1) so their personal belongings cannot be taken to repay debts (+1).</p> <p>A shareholder's liability for debts is limited (1) which means that they might be willing to take more risks (+1).</p> <p style="text-align: right;">ARA</p>	2 (AO1a) 1 (AO1b) 1	<p>One mark for knowledge of limited liability plus one mark for explanation.</p> <p><i>Answers do not need to relate to Sainsbury's.</i></p> <p>Examiner's Comments</p> <p>Examiners were looking for a way that limited liability affects shareholders. Many candidates gained at least one of the available two marks. By far the most common correct responses related to the protection of personal assets and only being able to lose the amount originally investment.</p> <p>Those candidates who developed their response through to explanation were given full marks.</p> <p>Of those candidates who did less well, the most common error was to confuse limited liability with unlimited liability, giving responses about owners being able to have their cars, houses etc taken off them.</p> <p style="text-align: right;"> Assessment for learning</p> <p>Centres are advised to spend sufficient time developing candidate understanding of the demands of the command words in the questions. This question began with the word 'explain' rather than 'identify' therefore some development was needed to gain full marks.</p> <p style="text-align: right;"> OCR support</p> <p>To help centres and candidates, OCR has included in the specification for this qualification a full list of possible command words that could appear on the exam paper.</p> <p>Centres should make sure that candidates have a robust understanding of what is required by each command word on this list.</p>

Mark Scheme

Question		Answer/Indicative content	Marks	Guidance
	b	<p>Explain <u>three</u> advantages for Sainsbury's of using television to advertise its products.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Audio <ul style="list-style-type: none"> ◦ They can use a catchy jingle ◦ Audio sticks in the memory • Visual <ul style="list-style-type: none"> ◦ Can use colour ◦ Can show images/products ◦ Can show celebrities ◦ Can reinforce brand colour scheme • Video <ul style="list-style-type: none"> ◦ Can show moving images ◦ Can demonstrate products • Adaptable <ul style="list-style-type: none"> ◦ Can adapt for different seasons ◦ Can create variations in adverts to form a campaign • Large audience <ul style="list-style-type: none"> ◦ Reaches a large number of people/mass market ◦ Reaches a wide range of people ◦ Lots of people watch TV/customers have TVs ◦ Seen all over the country/world • Targeting <ul style="list-style-type: none"> ◦ Can target specific customers (according to the channel/timing/programme) ◦ Can target market segments <p>Application may include:</p> <ul style="list-style-type: none"> • Aimed at middle to high income customers. • The supermarket industry is very competitive • Show price match against Aldi • Show visuals of its food • Developing new products is important for Sainsbury's <p>Exemplar responses</p> <p>Television advertising is visual (1) which is useful to the supermarket because it can show its middle-class customers how good its food looks (APP).</p> <p>Sainsbury's can target customers (1) by carefully choosing the programme to show the advert (NUT).</p>	6 (AO1b) 3 (AO2) 3	<p>One mark for an advantage of using television advertising.</p> <p><i>No further marks can be gained without understanding.</i></p> <p>One further mark for each application to Sainsbury's.</p> <p>NB: No reward for advantages of advertising in general. Must be specific advantages of advertising on television.</p> <p>Reach large(r) audience (1) 'Reach <u>more</u> customers' (0) TV 'Reach a <u>larger</u> number of customers' (0) TV</p> <p>Examiner's Comments</p> <p>By far the most common responses to this question related to being able to reach a large audience appropriate for a large supermarket chain, the ability to target specific groups of customers such as middle to high income earners and having visual impact allowing Sainsbury's to showcase their food products. All of these responses are valid and applied to Sainsbury's. Such responses gained the full six marks.</p> <p>Candidates who gained two or three marks are likely to be able to improve their responses by ensuring that they give applied responses. The question wording explicitly asks for advantages for Sainsbury's rather than advantages for any business in general. Generic responses are valid, but each can only gain one mark.</p> <p>Candidates who did less well on this question tended to make one particular error, i.e. giving responses about the purpose of advertising in general, e.g. to gain more customers or to increase brand awareness, rather than the specific advantages of advertising via the medium of television.</p>

Mark Scheme

Question		Answer/Indicative content	Marks	Guidance
		ARA		
c		<p>Analyse <u>one</u> likely reason why Sainsbury's uses market segmentation when developing new products.</p> <p>Knowledge may include:</p> <ul style="list-style-type: none"> • Create products <u>for specific customer needs</u> • Tailor products <u>for specific customer needs</u> <p>Application may include:</p> <ul style="list-style-type: none"> • Aimed at middle to high income customers • Sainsbury's develops new products to remain competitive • Customers always looking for something new • The supermarket industry is <u>very</u> competitive/<u>lots</u> of competitors • Sainsbury's believes that good food should be accessible to everyone <p>Analysis may include: Common analytical comments (which must stem from the reason stated) include positive impacts on market share, revenue, profit, competitive advantage, reputation, efficiency, etc.</p> <p>Exemplar responses: Can alter products to satisfy the needs (1) of the middle to high income customers (APP). This will help boost revenue (+1). Can make products to target the needs of customer segments (1). This will help Sainsbury's to maintain customer loyalty (+1).</p>	3 (AO1a) 1 (AO2) 1 (AO3a) 1	<p>One mark for a reason for using market segmentation.</p> <p><i>No further marks can be gained without knowledge of application.</i></p> <p>One further mark for application to Sainsbury's.</p> <p>One further mark for analysis of why market segmentation is used.</p> <p>NB: Analysis must be business-facing.</p> <p>NB: No reward for what market segmentation is.</p> <p>Answer must relate to <u>product development</u> i.e. create, make, design, tailor, develop, alter, cater for, implement customer needs. Including image, packaging, quality, ingredients.</p> <p>Do not reward answers referring to post-development i.e. pricing, selling, promoting (marketing), advertising, launching, releasing, etc.</p> <p>Do not reward adaptations that attempt to meet the needs of ALL customers (as this does not relate to market segmentation).</p> <p>Examiner's Comments</p> <p>This question was targeted at high ability candidates. Those that did well on this question had both a secure understanding of using market segmentation during product development and the ability to analyse the impact on Sainsbury's of this. Please see Exemplar 1 for a response that gained full marks. Further details of what examiners were looking for can be found in the published mark scheme.</p> <p>By far the most common incorrect responses examiners read related to using market segmentation for advertising or pricing, whereas the question was specifically about the product itself, i.e. the P for Product in the marketing mix rather than advertising or pricing.</p>

Mark Scheme

Question		Answer/Indicative content	Marks	Guidance
				<p>than Price or Promotion. This question uses the command word 'analyse' so requires a reason developed through a chain of argument to an impact.</p> <p>Exemplar 1</p> <p><i>One market segmentation be made In the c supreme The supermarket groups and go</i></p> <p>This response begins by suggesting that Sainsbury's could use market segmentation to alter products to meet the specific needs and wants of its customers. This valid knowledge is developed by a logical chain of argument to suggest that this would lead to greater customer satisfaction, a good reputation and a good brand image. This is Analysis. By including in the response that Sainsbury's operates in 'a very competitive industry', the answer also demonstrates Application. This response, therefore, gains full marks – one mark for Knowledge, one mark for Application and one mark for Analysis.</p>
d	i	<p>Identify <u>two</u> primary market research methods.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Questionnaire • Survey • Interview • Trialling/trial/taste test • Focus group • Observation 	2 (AO1a) 2	<p>One mark for each primary market research method</p> <p><i>Answers do not need to relate to Sainsbury's..</i></p> <p>Examiner's Comments</p> <p>Most candidates were able to suggest two correct methods. By far the most common responses were questionnaires, surveys and focus groups. Of those candidates who did less well, the error was invariably to give two secondary market research methods, rather than primary ones.</p>

Mark Scheme

Question		Answer/Indicative content		Marks	Guidance																							
	ii	<p>Evaluate whether Sainsbury's should use primary or secondary market research methods in the future.</p> <p>Application may include:</p> <ul style="list-style-type: none"> • One of the UK's largest supermarkets • Aimed at middle to high income customers • Sainsbury's develops new products to remain competitive • Customers always looking for something new • Uses market segmentation to support successful product development • The supermarket industry is very competitive • Promotions are important, such as Sainsbury's Aldi price match • Sainsbury's believes that good food should be accessible to everyone <p>Analysis may include:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3">Points in favour of primary research</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Primary MR is tailored/more specific to needs/gain answers to specific questions/more relevant</td> <td style="text-align: center; padding: 5px;"><input type="radio"/> O <input type="radio"/> R</td> <td style="padding: 5px;">Secondary MR may not be exactly what the business wants</td> </tr> <tr> <td style="padding: 5px;">Primary MR can be up-to-date</td> <td style="text-align: center; padding: 5px;"><input type="radio"/> O <input type="radio"/> R</td> <td style="padding: 5px;">Secondary MR may be outdated</td> </tr> <tr> <td style="padding: 5px;">Primary MR can select sample size</td> <td style="text-align: center; padding: 5px;"><input type="radio"/> O <input type="radio"/> R</td> <td style="padding: 5px;">Secondary MR uses predetermined sample size</td> </tr> <tr> <td style="padding: 5px;">Primary MR uses own design so can be sure it is in the form required</td> <td style="text-align: center; padding: 5px;"><input type="radio"/> O <input type="radio"/> R</td> <td style="padding: 5px;">Secondary MR may be in a form that cannot be easily analysed</td> </tr> <tr> <th colspan="3">Points in favour of secondary research</th> </tr> <tr> <td style="padding: 5px;">Secondary MR is cheaper/lower cost</td> <td style="text-align: center; padding: 5px;"><input type="radio"/> O <input type="radio"/> R</td> <td style="padding: 5px;">Primary MR expensive/costly</td> </tr> <tr> <td style="padding: 5px;">Secondary MR takes less time/less work</td> <td style="text-align: center; padding: 5px;"><input type="radio"/> O <input type="radio"/> R</td> <td style="padding: 5px;">Primary MR takes a lot of time/more work</td> </tr> </tbody> </table>	Points in favour of primary research			Primary MR is tailored/more specific to needs/gain answers to specific questions/more relevant	<input type="radio"/> O <input type="radio"/> R	Secondary MR may not be exactly what the business wants	Primary MR can be up-to-date	<input type="radio"/> O <input type="radio"/> R	Secondary MR may be outdated	Primary MR can select sample size	<input type="radio"/> O <input type="radio"/> R	Secondary MR uses predetermined sample size	Primary MR uses own design so can be sure it is in the form required	<input type="radio"/> O <input type="radio"/> R	Secondary MR may be in a form that cannot be easily analysed	Points in favour of secondary research			Secondary MR is cheaper/lower cost	<input type="radio"/> O <input type="radio"/> R	Primary MR expensive/costly	Secondary MR takes less time/less work	<input type="radio"/> O <input type="radio"/> R	Primary MR takes a lot of time/more work	<p>7 (AO2)</p> <p>2 (AO3a)</p> <p>2 (AO3b)</p> <p>3</p>	<p>Use marking grid to assess skill levels.</p> <p>Annotate as: Up to 2 marks for application to Sainsbury's</p> <p>Up to 2 marks for analysis</p> <p>Up to 3 marks for evaluation</p> <p>NB: Context must be <u>used to help explain the pros/cons of the market research method</u> for it to be awarded as application.</p> <p>Analysis must be business facing.</p> <p>For strong evaluation i.e., the full three marks, the evaluation must be contextual.</p> <p>No marks for stating features of market research methods, or examples of these methods e.g. questionnaire, survey, websites, census, etc.</p> <p>NB: Pros of one method are often the cons of the other method i.e. REP.</p> <p>Do not reward answers relating to 'accuracy', 'reliability', 'trustworthiness', 'ease' as these are too vague.</p> <p>Do not reward 'free'.</p> <p>Examiner's Comments</p> <p>The seven marks for Question 16 (d) (ii) were allocated as follows: two marks for Application, two marks for Analysis and three marks for Evaluation. Each assessment skill was marked independently. Further details of this mark breakdown can be found in the published mark scheme on the marking grid for this question.</p> <p>To gain Analysis marks examiners were looking for the advantages and/or disadvantages for a business of using primary or secondary research methods. The specific/tailored results of primary research, the relative low cost of</p>
Points in favour of primary research																												
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Mark Scheme

Question		Answer/Indicative content			Marks	Guidance						
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Secondary MR has data readily available</td> <td style="padding: 5px; text-align: center;">O R</td> <td style="padding: 5px;">Primary MR needs to be collected</td> </tr> <tr> <td style="padding: 5px;">Secondary MR has a larger amount of information</td> <td style="padding: 5px; text-align: center;">O R</td> <td style="padding: 5px;">Primary MR is from a smaller pool</td> </tr> </table>			Secondary MR has data readily available	O R	Primary MR needs to be collected	Secondary MR has a larger amount of information	O R	Primary MR is from a smaller pool		<p>secondary research, the time-consuming nature of primary research and secondary research being out-of-date, were the most common correct responses seen.</p> <p>Those candidates who also applied their responses, e.g. 'low cost would allow Sainsbury's more money to spend on its television advertising' or 'specific results would give Sainsbury's a greater ability to gain a competitive advantage over its rival Aldi', also gained Application marks. Candidates should be encouraged to embed application into their answers throughout the response.</p> <p>Most candidates managed to achieve at least one mark for Evaluation, i.e. by deciding as to whether Sainsbury's should use primary or secondary market research methods in the future. Those who were able to justify their decision gained extra evaluation marks. Those whose justifications were deemed good, (i.e. valid but non-contextual) were given an extra one mark (totalling two marks for Evaluation) and those whose justifications were deemed 'strong', (i.e. valid and contextual) were given an extra two marks (totalling the full three marks for Evaluation).</p>
Secondary MR has data readily available	O R	Primary MR needs to be collected										
Secondary MR has a larger amount of information	O R	Primary MR is from a smaller pool										

ARA

	Application (2 marks)	Analysis (2 marks)	Evaluation (3 marks)
Strong	2 marks <u>Two uses of context in relation to pros/cons of market</u>	2 marks Two different pros/cons of market research methods (business-facing). [AN]	3 marks A justified contextual judgement about whether Sainsbury's should use primary or secondary market research

Mark Scheme

Question		Answer/Indicative content			Marks	Guidance
			resear ch met hods. [APP] [APP]	[AN]	methods in future. [EVAL] [EVAL] [EVAL]	
	Go od				2 marks A justified judgement about whether Sainsbury's should use primary or secondary market research methods in future. [EVAL] [EVAL]	
	Li mit ed	1 mark One <u>use</u> of context in relation to pros /cons of market resear ch met hods. [APP]	1 mark One pro/con of a market research method (bu siness- facing). [AN]	1 mark A decision about whether Sainsbury's should use primary or secondary market research methods in future. [EVAL]		
		Total			20	

Mark Scheme

Question		Answer/Indicative content	Marks	Guidance
17	a	<p>State <u>two</u> aspects of employment law that may affect a business.</p> <p>Answers may include:</p> <ul style="list-style-type: none"> • Discrimination/equality e.g. equal pay, disabilities, sexism, racism, ageism, etc • Contract (of employment) • Holidays • Maternity pay/paternity pay • Antenatal care • Sick pay • Working hours/days • Breaks • Minimum/living wage • Health & safety • Working environment • Redundancy/dismissal e.g. severance pay and notice 	2 (AO1a) 2 ARA	<p>One mark for each of two aspects of employment law.</p> <p><i>Answers do not need to relate to Clarks.</i></p> <p>Do not reward answers relating to fairness e.g. fair pay (0), treated fairly (0) as these are ethical rather than legal requirements.</p> <p>'Employment rights' (0) TV 'Pay'/'How much they are paid' (0) TV</p> <p>Examiner's Comments</p> <p>This question divided candidates. Few candidates gained one mark; candidates either knew about employment law (and therefore could suggest two aspects and gained full marks) or did not appear to have a clue and often left the response space blank (and therefore gained no marks). By far the most common correct responses were 'discrimination', 'limits on working hours' and 'minimum wage', however there were many more to choose from. Please see the published mark scheme for a list of other acceptable responses.</p> <p>Of the candidates who were given one mark, the most likely reason was that they gave two responses both about discrimination, e.g. racism and ageism. These were deemed to be repeats.</p>
	b	<p>Analyse <u>one</u> advantage for Clarks of interpreting quantitative data when designing new products.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Can sort/analyse/investigate/evaluate/judge/measure/ compare/draw conclusions (not interpret) • Can identify/find/see trends • Can identify patterns (must be comparative) <p>Application may include:</p> <ul style="list-style-type: none"> • <u>Very</u> competitive market/<u>lots</u> of competitors • Employs specialist designers • Fast-changing fashion trends 	3 (AO1b) 1 (AO2) 1 (AO3a) 1	<p>One mark for an advantage of quantitative data.</p> <p><i>No further marks can be gained without understanding.</i></p> <p>One further mark for application to Clarks.</p> <p>One further mark for analysis of the advantage to Clarks.</p> <p>NB: Analysis must be business-facing.</p> <p>NB: No reward for what quantitative data is.</p>

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		<ul style="list-style-type: none"> • Footwear for children, women and men • Need to ensure new styles meet customer needs • Need to ensure new styles will be profitable <p>Analysis may include: Common analytical comments (which must stem from the reason stated) include positive impacts on market share, revenue, profit, competitive advantage, reputation, efficiency, etc.</p> <p>Exemplar responses: Quantitative data will help Clarks identify changes in demand (1) for its children's, women's and men's ranges (APP). Designing products to closely meet customer demand will lead to increased revenue (+1).</p> <p>The impact of a new promotion on Clarks' sales can be analysed (1). This will help Clarks improve its marketing efforts (+1).</p> <p style="text-align: right;">ARA</p>		<p>Do not reward 'objective', 'numerical data', 'can be plotted on a graph'; advantages for business of these are required.</p> <p>NB: Do not reward 'can interpret' as this is the question.</p> <p>Advantage must be to Clarks and NOT the customer or other stakeholders.</p> <p>'Patterns' must be comparative i.e. <u>most popular</u>, <u>highest demand</u>, sells <u>better</u> than the others.</p> <p>High sales (0) TV High demand (0) TV</p> <p>Examiner's Comments</p> <p>This question was targeted at high ability candidates. Those that did well on this question had both a secure understanding of an advantage of interpreting quantitative data and the ability to analyse the impact on Clarks of this.</p> <p>Candidates often explained what quantitative data was or gave an example, e.g. numerical data such as sales figures. While this is reassuring and good underpinning knowledge, no marks were available for this. Examiners were looking for an advantage for Clarks of interpreting such data, followed by the analytical impact on the company of this advantage.</p> <p>The most commonly seen correct responses related in some way to the ease of data manipulation for example 'can be sorted', 'are easy to analyse' or 'results are easy to compare'. Other valid responses included being able to identify patterns or spot trends, e.g. changes in demand over time.</p> <p>Candidates who gained the Understanding mark appeared to find it relatively easy to include Application to Clarks in their responses. Many responses ended abruptly at this point and did not include a chain of argument ending in an analytical impact. When seen, increased revenue, cashflow, profit and market share, were the most common awarded analytical impacts.</p>

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c		<p>Explain <u>three</u> reasons why employee retention is important for Clarks.</p> <p>Knowledge may include:</p> <ul style="list-style-type: none"> • Recruitment and selection <ul style="list-style-type: none"> ◦ Reduced need for recruitment ◦ Lower recruitment costs ◦ Less time taken to recruit ◦ Wider pool to recruit from • Training and development <ul style="list-style-type: none"> ◦ Reduced need for training ◦ Lower training costs ◦ Less time taken to train • Quality of workforce <ul style="list-style-type: none"> ◦ Retains skills, specialism, knowledge of the business, products, customers • Size of workforce <ul style="list-style-type: none"> ◦ Avoid staff shortages/being understaffed • Employee <ul style="list-style-type: none"> ◦ High motivation/work harder/better work ethic ◦ Engagement/commitment/goodwill/ workforce loyalty <p>Application may include:</p> <ul style="list-style-type: none"> • <u>Very</u> competitive market/<u>lots</u> of competitors • Specialist designers create new shoe styles • Fast-changing fashion trends • Need to ensure new styles meet customer needs • Designers central to Clarks' success <p>Exemplar responses:</p> <p>Clarks' training costs will be low (1) which means it can spend this money on promotion to help it to succeed in the very competitive market (APP).</p> <p>It will prevent losing skills to business rivals (1) in this competitive market (NUT).</p> <p style="text-align: right;">ARA</p>	6 (AO1) 3 (AO2) 3	<p>One mark for a reason why employee retention is</p> <p><i>No further marks can be gained without knowledge of the question.</i></p> <p>One further mark for each application to Clarks, up to a maximum of three.</p> <p>NB: No reward for what employee retention is.</p> <p>Do not reward 'high morale'/feel valued' as these are personal benefits. Importance for the business is required.</p> <p>Examiner's Comments</p> <p>This question was not well answered. The vast majority of candidates only scored two marks on this question usually by identifying 'less time taken on recruitment' and 'lower training costs'. Few candidates managed a third reason and even fewer applied their responses.</p> <p>Those who did well on this question gave responses specifically applied to Clarks (as required by the question). Examples of applied responses included reference to fast changing fashion trends, specialist designers, operating in a very competitive market, and designers being central to Clarks' success. Each correct response applied to Clarks gained two marks rather than one. Please see Exemplar 2 for a response that gained full marks.</p> <p>Exemplar 2</p> <p>1 Employee retention is important for Clarks as its designers are central to its success. This ensures that their designers are committed and able to continue to innovate and design new shoes as this would be vital for the company's success.</p> <p>2 Another reason that employee retention is important for Clarks is that they don't want to spend too much money on recruiting new shoe designers, as they could then spend on updating new resources.</p> <p>3 A final reason is that Clarks won't need to spend as much time and money to train their shoe designers to a good standard (e.g. by induction training) as the company is already used to the business, and capital can be used to buy more learners for shoes instead.</p> <p>Response 1 targets the final bullet point on</p>

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				<p>the published mark scheme, sub-bullet point 2 (engagement/commitment/goodwill /workforce loyalty) and includes application to Clarks (designers are central to its success). Two marks given.</p> <p>Response 2 targets the first bullet point on the published mark scheme, sub-bullet point 2 (lower recruitment costs) and includes application to Clarks (could otherwise spend on opening new shoe stores). Two marks given.</p> <p>Response 3 targets the second bullet point on the published mark scheme, sub-bullet point 2 (lower training costs) and includes application to Clarks (capital can be used to buy more leather for shoes instead). Two marks given.</p>
d	i	<p>Analyse <u>one</u> advantage for Clarks of using interviews to select new designers.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Can assess the candidate's body language/facial cues/communication skills/personal presentation/ personality/how they react under pressure • Can assess how candidate would fit into the business/work in a team • Can find out things from the candidate such as knowledge of the business, previous experience, skills, specialisms, etc • Can compare candidates' responses to similar questions <p>Application may include:</p> <ul style="list-style-type: none"> • <u>Very</u> competitive market/<u>lots</u> of competitors • Designers create new shoe styles • Designers are specialist • Fast-changing fashion trends • Ranges for children, women and men • Designers are central to business success <p>Analysis may include: Common analytical comments (which must stem from the reason stated) include positive impacts on market share, revenue, profit, competitive advantage, beating the competition, reputation,</p>	3 (AO1b) 1 (AO2) 1 (AO3a) 1	<p>One mark for an advantage of using interviews to</p> <p><i>No further marks can be gained without understanding the question.</i></p> <p>One further mark for application to Clarks.</p> <p>One further mark for analysis of the advantage for employees.</p> <p>NB: Analysis must be business-facing.</p> <p>NB: No reward for what interviews are.</p> <p>Do not reward features of method e.g. 'can see candidate'/'can ask questions'; advantage for business of these is required.</p> <p>Advantage must be for Clarks and NOT the employee or customer.</p> <p>NB: 'designers' is in the wording of the question. Take care with APP.</p> <p>Do not reward 'find the best person for the job', 'find the most suited' as this is the purpose of all recruitment and selection methods.</p> <p>Examiner's Comments</p>

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Question		Answer/Indicative content	Marks	Guidance
		<p>efficiency, productivity, customer service, innovation, teamwork, decision making, etc.</p> <p>Exemplar responses: The designers are specialists (APP). Therefore, interviews allow the interviewer to get answers to detailed questions to better understand their skills (1) leading to a competitive advantage for Clarks (+1).</p> <p>They can compare all candidates' answers to the same questions (1). So they can select a worker who will improve productivity (+1).</p> <p style="text-align: right;">ARA</p>		<p>Questions 17 (d) (i), (d) (ii) and (d) (iii) comprise one question, scaffolded for accessibility. The question is testing 'recruitment and selection' (topic 3.4 on the specification) and in particular 'methods of selection'.</p> <p>In Questions (i) and (ii) examiners were looking for an advantage of each method. In each case, once the first mark was secured those who applied their answer or gave an impact on the business of this advantage gained extra marks (Application/Analysis respectively). Candidates did better on part (i) of this question than part (ii). This suggests that candidates are more familiar with interviews as a selection method than with references. This is understandable given interviews are within the life experience of most people, but references are within the domain of the HR function.</p>
	ii	<p>Analyse one advantage for Clarks of using references to select new designers.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Can confirm from a <u>third party</u> (e.g. previous employer, character referee) candidate attributes e.g the candidate's standard of work/behaviour/attitude/skills/personality/ teamworking/specialisms • Can verify information (e.g. as supplied in an application form) • Can offer additional information about the candidate (which they may not have disclosed) • Low labour time/input/quicker/low cost <p>Application may include:</p> <ul style="list-style-type: none"> • <u>Very</u> competitive market/<u>lots</u> of competition • Designers are specialist • Fast-changing fashion trends • Employees need to work closely with other functional areas such as marketing, finance and retail • Designers need to be able to interpret quantitative data <p>Analysis may include: Common analytical comments (which</p>	3 (AO1b) 1 (AO2) 1 (AO3a) 1	<p>One mark for an advantage of using references to</p> <p><i>No further marks can be gained without understanding the question.</i></p> <p>One further mark for application to Clarks, using e</p> <p>One further mark for analysis of the advantage for</p> <p>NB: Analysis must be business-facing.</p> <p>NB: No reward for what references are.</p> <p>Do not reward features of method e.g. 'third party assessment'/can ask questions'; advantage for business of these is required.</p> <p>Advantage must be for Clarks and NOT the employee or customer.</p> <p>NB: 'designers' is in the wording of the question. Take care with APP.</p> <p>Do not reward 'find the best person for the</p>

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		<p>must stem from the reason stated) include positive impacts on market share, revenue, profit, competitive advantage, beating the competition, reputation, efficiency, productivity, customer service, innovation, teamwork, decision making, etc.</p> <p>Exemplar responses: References indicate which candidates have had good teamworking skills with a previous employer (1). This is important because the designers will work with colleagues from other functional areas (APP), potentially increasing productivity in the workplace (+1).</p> <p>The reference can verify the information on an application form (1) which should help to increase competitive advantage (+1).</p> <p style="text-align: right;">ARA</p>		<p>job', 'find the most suited' as this is the purpose of all recruitment and selection methods.</p> <p><u>Examiner's Comments</u></p> <p>Questions 17 (d) (i), (d) (ii) and (d) (iii) comprise one question, scaffolded for accessibility. The question is testing 'recruitment and selection' (topic 3.4 on the specification) and in particular 'methods of selection'.</p> <p>Part (iii) was the first 'recommend' question on the paper. It required candidates to decide whether interviews or references are likely to be more effective for selecting new designers. There was no right or wrong answer here, all candidates were required to do for the first of the three available marks was to make a choice. Almost all candidates managed this and, thus, gained at least one mark. Of the very few candidates that scored zero on part (iii) of this question, the reason was invariably one of 'sitting on the fence' and never reaching an overall decision.</p>
	iii	<p>Recommend whether using interviews or references is likely to be more effective for selecting new designers. Give a reason for your answer.</p> <p>A full answer needs a supported judgement as to which method is MORE EFFECTIVE.</p> <p>Justification can be made using any combination of features/advantages/disadvantages so long as a comparison is being made (i.e. a link between them as opposed to separate points).</p> <p>Exemplar responses: <u>Interviews</u> are likely to be more effective (1) because Clarks can assess their knowledge of fashion (CONT). A <u>reference</u> is unlikely to include this information unless they previously worked for another fashion business (+2).</p> <p>Clarks is likely to find <u>interviews more effective</u> (1) because they can make their own assessment of how the candidate may work with employees. Whereas a</p>	3 (AO3b) 3	<p>One mark for a recommendation of whether Clarks</p> <p>PLUS</p> <p>Two marks for a contextual justification of the recommendation to select new designers.</p> <p>OR</p> <p>One further mark for a non-contextual recommendation of references to select new designers.</p> <p>NB: Context, rather than application, required for full marks.</p> <p>NB Justification is why one method is</p>

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		<p><u>reference</u> provides the opinion of the previous employer (NUT (+1)).</p> <p>References are better (1) for Clarks. <u>References</u> evidence whether the applicant worked efficiently with other employees when designing shoes (CONT). <u>Interviews</u> cannot tell you this (+2).</p> <p><u>References</u> are best (1) because they are cheaper as you only need time to read through the reference for each candidate. An <u>interview</u> would mean spending lots more time asking questions to candidates (NUT (+1)).</p>	ARA	<p>BETTER THAN the other for the business (rather than just good for business). A comparison is required; therefore, the response must cover both methods to gain a mark for justification.</p> <p>i.e. Positive point for one method compared with rejected option (even if the comparative justification for the rejected option is basic e.g. 'cannot do ...' or 'doesn't allow ...').</p> <p>NB: If two separate points are made i.e. one about interview and one about references, there must be a comparative link i.e. both about degree of detail, both about cost, both about honest, etc.</p> <p>To gain full marks the justification must also be contextual (but not necessarily applied).</p> <p>Examiner's Comments</p> <p>Questions 17 (d) (i), (d) (ii) and (d) (iii) comprise one question, scaffolded for accessibility. The question is testing 'recruitment and selection' (topic 3.4 on the specification) and in particular 'methods of selection'.</p> <p>The other two marks available for (iii) were given for the quality of the candidate's justification of their decision. To be awardable the justification needed to argue why the chosen selection method was 'better' than the alternative (rather than just 'good'). As such the justification needed to be comparative, e.g. 'interviews because they rely on the judgement of Clark's own staff rather than the opinions of a third party which may not be appropriate to Clarks' needs' or 'references because they will take up far less of Clarks' time since references only need to be requested and read, whereas interviews need to be scheduled taking up at least half an hour for each applicant', etc. For full marks the response also needed to be contextual.</p>
		Total	20	

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Question		Answer/Indicative content	Marks	Guidance
18	a	<p>Creativity is one characteristic of an entrepreneur.</p> <p>Identify <u>one</u> other characteristic of an entrepreneur.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Risk taking • Determination • Confidence 	1 (AO1a) 1	<p>One mark for a characteristic of an entrepreneur.</p> <p><i>Answers do not need to relate to SJ Salon.</i></p> <p>Do not accept 'creativity' (or 'synonyms such as 'inventive', 'imaginative', etc).</p> <p>Accept synonyms of the indicative content e.g. 'perseverance' for 'determination' or 'self-assured' for 'confidence', etc.</p> <p>NB: Indicative content, do not accept other character traits such as 'motivated' or 'well organised', 'resilient', 'teamwork' and 'hardworking'.</p> <p>Examiner's Comments</p> <p>Most candidates gained the mark for this question. By far the most common response was 'a risk taker'.</p> <p>Some candidates repeated the characteristic 'creativity' which was excluded by the stem of the question.</p>
	b	<p>Analyse <u>two</u> advantages for SJ Salon of using cost-plus pricing.</p> <p>Understanding may include:</p> <ul style="list-style-type: none"> • Ensures price exceeds costs/costs are covered (depending on sales) • Ensures profitability/a profit/a markup/a profit margin/avoid a loss (depending on sales) • Can change the price <u>easily/quickly</u> <p>Application may include:</p> <ul style="list-style-type: none"> • Employ one part-time employee and one full-time employee • A working week is 40 hours • Recruiting two new part-time employees • Business been profitable since 2014 • National hairdresser planning to open a salon in the town • 66 customers said quality more important than price • 84 customers would try the competition if prices were cheaper <p>Analysis may include:</p>	6 (AO1b) 2 (AO2) 2 (AO3a) 2	<p>One mark for each advantage for a business of cost-plus pricing.</p> <p><i>No further marks can be gained without understanding.</i></p> <p>One further mark for each application to SJ Salon.</p> <p>One further mark for analysis of an advantage of cost-plus pricing.</p> <p>NB: Analysis must be business-facing (including impacts on partners since the business is unincorporated). Do not credit impacts on customers or employees.</p> <p>NB: No reward for what cost-plus pricing is.</p> <p>Examiner's Comments</p> <p>This question was targeted at high ability candidates. Those that did well on this question had both a secure understanding</p>

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		<p>Common analytical comments (which must stem from the reason stated) include positive impacts on market share, revenue, profit, profit margin, avoiding a loss, competitive advantage, reputation, expansion, efficiency, productivity, customer service, reinvest profit, business development, better lifestyle, etc.</p> <p>Exemplar responses:</p> <p>Can easily adjust the price (1) to ensure that the labour cost of the two additional employees (APP) is covered so that a profit is still made (+1).</p> <p>Cost-plus pricing ensures that price always exceeds costs (1). This avoids the salon making a loss (+1).</p> <p style="text-align: right;">ARA</p>		<p>of the advantages of cost-plus pricing and the ability to analyse the impacts on SJ Salon of these. Please see the published mark scheme for suggested correct responses to this question.</p> <p>The vast majority of responses read by examiners showed a lack of awareness of cost-plus pricing or a total misunderstanding of the method. With response spaces sometimes being left totally blank, this question had the highest omit rate on the paper. In addition, where an attempt was made at the question, examiners were all too often reading about starting off with low prices and gradually increasing them or starting off with high prices and gradually reducing them. This suggests that candidates were trying to fit the question to the pricing methods they were aware of (possibly from previous exam papers), i.e. penetration pricing or skimming. Other responses attempted a very vague response about customer satisfaction or business image, neither of which were awardable.</p> <p>Please see Exemplar 3 for a response that gained full marks for this question.</p> <p>Exemplar 3</p> <p>1 One advantage of SJ Salon using cost-plus pricing is that it guarantees a profit being made. For example, the case study states that demand for employees is high and SJ Salon can increase its price to cover the cost of employing more staff without still making a profit.</p> <p>2 Another advantage of using cost-plus pricing is that it is easy to start due to the fact that SJ Salon can increase its price to cover the cost of employing more staff without still making a profit.</p> <p>Response 1, 'guarantees a profit', targets bullet point two on the published mark scheme. The analytical impact of this is that they can use the finance gained to develop other areas of the business. The explanation that the business does not need to worry about any competition because it is the only hairdresser in town is clear evidence of application to SJ Salon. Response 1 gains its full three marks, one for Understanding, one for</p>

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			<p>Application and one for Analysis.</p> <p>Response 2 'prices can be easily altered' targets bullet point three on the published mark scheme. The analytical impact of this is that they can easily alter the price to cover the wages of the new employees. This analytical point is an applied point as it references the 'new employees'. The response also included application by way of explanation earlier in the response when it explains that the business is experiencing high demand requiring more employees. Response 2 gains its full three marks, one for Understanding, one for Application and one for Analysis.</p> <div style="text-align: right; margin-top: -20px;">  Misconception </div> <p>A significant proportion of candidates appear to be under the impression that adding a specific percentage to costs makes cost-plus pricing an unpopular method with customers because it leads to high prices. This is not the case. Candidates need to realise that to operate in the long-term all businesses need to cover their costs in order to survive. Cost-plus pricing would only lead to exorbitantly high prices if a very high percentage was added to costs.</p>

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c	i	<p>Analyse <u>one</u> advantage for SJ Salon of each method of communication.</p> <p>Weekly team meeting Understanding may include:</p> <ul style="list-style-type: none"> • Can check for understanding/misunderstanding/attention/inattention • Supports teamworking • Improved relationship between employees and employer • Motivating/motivation/improved work ethic • <u>Can emphasise points using</u> body language/facial expressions/visual aids • Owners get immediate/real time responses <p>Application may include:</p> <ul style="list-style-type: none"> • 200 customers completed a questionnaire • Employ one part-time employee and one full-time employee • Recruiting two new part-time employees • Jamila thinks it is more important to keep customers satisfied • Concerned about the additional competition <p>Analysis may include: Common analytical comments (which must stem from the reason stated) include positive impacts on market share, revenue, profit, profit margin, avoiding a loss, competitive advantage, reputation, expansion, efficiency, productivity, customer service, labour turnover, motivation, etc.</p> <p>Exemplar responses: The owners can check everyone understands (1). This will help increase customer satisfaction (+1), which is very important since the national hairdresser is about to open a salon in the town (APP).</p> <p>Enhances employee motivation (1) which could increase customer service (+1).</p> <p>Weekly email Understanding may include:</p>	6 (AO1b) 2 (AO2) 2 (AO3a) 2	<p>For each method: One mark for an advantage for a business of using</p> <p><i>No further marks can be gained without understanding.</i></p> <p>One further mark for application to SJ Salon.</p> <p>One further mark for analysis of the advantage for</p> <p>NB: Analysis must be business-facing.</p> <p>NB: No reward for what communication is. No reward for what meetings are. No reward for what email is.</p> <p>Do not reward responses that solely refer to features of the methods e.g. staff meet together, two-way communication, verbal discussion, can raise questions, body language, facial expressions, written record, can get receipts, etc. The advantage for business of these is required to award a mark.</p> <p>Meeting: Feel valued (0) – advantage to employee rather than advantage for the business.</p> <p>Email: Cheap (0) TV Free (0) Easy (0) TV</p> <p>Examiner's Comments</p> <p>Questions 18 (c) (i) and (c) (ii) comprise one question, scaffolded for accessibility. The question is testing candidate understanding of 'Communication in business' (Topic 3.3) and in particular 'ways of communicating in a business context'.</p> <p>General responses about the advantages of good communication could not be awarded. Examiners were looking for particular advantages of each specific method. For example, a meeting can give</p>

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		<ul style="list-style-type: none"> • Time efficient/takes little time/quick • Message can be sent to many recipients <u>at once</u> • Does not need scheduling/diarising • Can be accessed anytime/anywhere/remotely • Can be kept/referred back to/read multiple times • <u>Can emphasise points using</u> highlights/underlining/italics/ capitals, etc • More useful for complex/numerical information <p>Application may include:</p> <ul style="list-style-type: none"> • 200 customers completed a questionnaire • Employ one part-time employee and one full-time employee • Recruiting two new part-time employees • Jamila thinks it is more important to keep customer satisfied • Concerned about the additional competition <p>Analysis may include: Common analytical comments (which must stem from the reason stated) include positive impacts on market share, revenue, profit, profit margin, avoiding a loss, competitive advantage, reputation, expansion, efficiency, productivity, customer service, labour turnover, motivation, etc.</p> <p>Exemplar responses: The content of the email can be referred back to in the future (1) which should help improve customer service (+1) to combat the effect of the new national salon opening (APP).</p> <p>Sending an email is time efficient (1) which should help improve productivity (+1).</p> <p style="text-align: right;">ARA</p>		real time feedback to SJ Salon's owners. On the other hand, email can be referred back to for clarification multiple times. In general, candidates gave better responses about the email than the meeting. Please see the published mark scheme for other suggested responses to (i).

Mark Scheme

Question		Answer/Indicative content	Marks	Guidance
	ii	<p>Recommend whether a weekly meeting or a weekly email would be the more appropriate method of communication for SJ Salon to use. Give a reason for your answer.</p> <p>A full answer needs a supported judgement as to which method is MORE APPROPRIATE.</p> <p>Justification can be made using any combination of features/advantages/disadvantages so long as a comparison is being made (i.e. a link between them as opposed to separate points).</p> <p>Exemplar responses:</p> <p>The company should use a <u>meeting</u> (1). All employees can meet together once a week helping SJ Salon's newly enlarged staff team (CONT) work together effectively to satisfy customers. <u>Emails</u> do not involve any staff interaction so do not help teamworking (+2).</p> <p>The company should use a <u>meeting</u> (1). All employees can meet together once a week to help the staff work together as a team. <u>Emails</u> do not involve any staff interaction so do not help teamworking (NUT (+1)).</p> <p>A weekly <u>email</u> should be chosen (1). Three of the employees work part-time (CONT) so finding a time when everyone is available to have a staff <u>meeting</u> will be difficult. An email can be read at any time (+2).</p> <p>A weekly <u>email</u> should be chosen (1). Finding a time when everyone is available to have a staff <u>meeting</u> will be difficult. An email can be read at any time (NUT (+1)).</p>	<p>3 (AO3b) 3</p> <p>ARA</p>	<p>One mark for a judgement of whether SJ Salon sh</p> <p>PLUS Two marks for a contextual justification of whether</p> <p>OR One further mark for a non-contextual justification</p> <p>NB: Context, rather than application, required for full marks.</p> <p>NB Justification is why one method is BETTER THAN the other for the business (rather than just good for business). A comparison is required; therefore, the response must cover both methods to gain a mark for justification. I.e. Positive point for one method compared with rejected option (even if the comparative justification for the rejected option is basic e.g. 'cannot do ...' or 'doesn't allow ...').</p> <p>NB: If two separate points are made i.e. one about meetings and one about email, there must be a comparative link i.e. both about time (accept quicker than), both about cost (accept cheaper than), both about accessibility, etc.</p> <p>Examiner's Comments</p> <p>Questions 18 (c) (i) and (c) (ii) comprise one question, scaffolded for accessibility. The question is testing candidate understanding of 'Communication in business' (Topic 3.3) and in particular 'ways of communicating in a business context'.</p> <p>Question (ii) was the second 'recommend' question on the paper. The question</p>

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			<p>required candidates to recommend whether a weekly meeting or a weekly email would be more appropriate for SJ Salon. There was no right or wrong response here, all candidates were required to do for the first of the three available marks was to choose one of the two methods of communication. Almost all other candidates clearly identified their recommendation and, thus, gained at least one mark (even if their reason for selection was totally incorrect).</p> <p>The other two marks available for (ii) were given for the quality of the candidate's justification of their recommendation. To be awardable the justification needed to argue why one method was 'better' than the other method (rather than just being 'good'). As such the justification needed to be comparative, e.g. 'meetings because they involve direct human interaction that can improve teamworking whereas emails do not' or 'emails because they can be read from anywhere whether at work or not, whereas information given at a meeting requires all employees to be at work', etc. For full marks the response also needed to be contextual.</p>

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	d	<p>Evaluate, using the data in Text 3, whether Sam should write a new business plan.</p> <p>Knowledge and understanding:</p> <ul style="list-style-type: none"> • Definition: <ul style="list-style-type: none"> ◦ Knowledge: business plan is a document/record/e-file ◦ Understanding: Content details/outlines - purpose of business/business ideas/product or service/resources/marketing/market research/production/ target market/the competition/aims/objectives/goals, finance, etc. <p>Application (quantitative) includes:</p> <ul style="list-style-type: none"> • <u>Any</u> relevant calculation regarding questionnaire data including: <ul style="list-style-type: none"> ◦ 130 have been using SJ salon for <u>5 years</u> or more ◦ <u>65%</u> have used SJ salon since 2019 ◦ <u>35%</u> have only recently become customers ◦ <u>70</u> have only recently become customers ◦ <u>52%/around half</u> were aware of the competitor ◦ <u>48%</u> were not aware of the competitor ◦ <u>96</u> were not aware of the competitor ◦ <u>42%/almost half</u> would try competitor if cheaper ◦ <u>58%</u> would not try the competitor if cheaper ◦ <u>116</u> would not try the competitor if cheaper ◦ <u>33%/one third</u> consider quality of service over price ◦ <u>66%/67%</u> do not consider quality more important than price ◦ <u>134</u> do not consider quality more important than price ◦ <u>18</u> more customers would try the rival if price cheaper than those who thought that quality was more important ◦ etc • <u>Any</u> relevant calculation regarding other quantitative data including: 	9 (AO1a) 1 (AO1b) 1 (AO2) 2 (AO3a) 2 (AO3b) 3 (Quant 2)	<p>Use marking grid to assess skill levels.</p> <p>Annotate as:</p> <p>1 mark for knowledge</p> <p>1 mark for understanding</p> <p>Up to 2 marks for quantitative application*</p> <p>Up to 2 marks for analysis</p> <p>Up to 3 marks for evaluation</p> <p>*Application assesses quantitative skills and refers to the use of data only.</p> <p>Knowledge – a business plan is a document (rather than a thought/idea or process).</p> <p>Understanding – a named item of content within the definition.</p> <p>Analysis business-facing pros or cons.</p> <p>Evaluation – the decision must be explicit for 1 mark. For two marks there must be a valid justification. For strong evaluation i.e., the full three marks, the evaluation must be contextual.</p> <p>Examiner's Comments</p> <p>This is the highest tariff question on the paper. The nine marks were allocated as follows: one mark for Knowledge, one mark for Understanding, two marks for numerical Application, two marks for Analysis and three marks for Evaluation. Each assessment skill was marked independently. Further details of this mark breakdown can be found in the published mark scheme on the marking grid for this question.</p> <p>Most candidates achieved some marks for Understanding, Analysis and Evaluation. Candidates across all ability ranges did less well achieving the knowledge and application marks.</p> <p>For the Knowledge mark, examiners were looking for explicit knowledge that a business plan is a document or record of intention, rather than just a thought</p>

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		<ul style="list-style-type: none"> ◦ The salon now has 4 employees ◦ The salon now employs 3 part-time workers ◦ The salon has 2 partners ◦ 6 people work in the salon ◦ Number of employees has doubled i.e. 2 to 4 ◦ SJ Salon has been open for 10 years ◦ The business plan has not been updated for 10 years ◦ It would take Sam 75%/three-quarters of a working week to write the business plan ◦ etc <p>Analysis:</p> <ul style="list-style-type: none"> • Pros of writing a business plan <ul style="list-style-type: none"> ◦ set/adapt goals ◦ inform stakeholders ◦ attract investors ◦ create strategies ◦ obtain finance ◦ monitor progress ◦ measure success • Cons of writing a business plan <ul style="list-style-type: none"> ◦ Time ◦ Cost ◦ Opportunity cost (time could be spent doing something else) <p>Evaluation may include: A clear decision as to whether Sam should or should not write a new business plan. This decision should be justified using relevant argument. For full marks the justification needs to be contextual.</p> <p><u>Exemplar response:</u></p> <p>A business plan is a document (K). It contains information on business aims (U) and the target market.</p> <p>42% (APP) of customers would consider having their hair cut at the new hairdressing salon if it were cheaper which is concerning for SJ Salon.</p> <p>One advantage of writing a new plan is that it may help the salon develop a new USP (AN) which could help retain its current customers.</p> <p>However, creating a business plan will</p>		<p>process. An Understanding mark was given for identifying any one piece of content that would be contained in a business plan. For those candidates who launched straight into the pros and cons of writing a business plan these marks were often missed. A deliberate exam technique of defining the key terms in the question at the beginning of a response might be helpful here.</p> <p>For the Application marks, examiners were looking for the use of the numerical data given in the text (as indicated in the question by the phrase 'using the data in Text 3'). A mark was given each time a candidate demonstrated the numerical skill of calculation using the data given (to a maximum of two marks). Some calculations were relatively straightforward, e.g. the number of years the business had been trading; others were more complex, e.g. percentage who were not aware of the existence of the competitor. Any two calculations of whatever level of difficulty, were awardable for two Application marks. Some further examples of numerical skill are shown in the callout box below.</p> <p>To gain Analysis marks examiners were looking for the advantages and disadvantages for a business of writing a business plan. The ability to secure additional finance and adapt goals were the most common advantages seen. Time and cost implications were the most common disadvantages seen. To gain full marks for Analysis, examiners were looking for one positive argument (in support of writing a business plan) and one negative argument (against writing a business plan).</p> <p>For the Evaluation marks, examiners were looking for a clear decision coupled with justification of this decision. There was no right or wrong response here, all that was required for the first of the three available marks was to make clear their decision as to whether Sam should, or should not, write a new business plan. Almost all candidates clearly indicated their decision and, thus, gained at least one mark for Evaluation. Of the very few candidates that scored zero for evaluation, the reason</p>

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		<p>take a long time (AN) and will mean Sam will lose three-quarters (APP) of a week's revenue.</p> <p>I think that Sam should write a new business plan (EVAL). The additional competition is a concern for SJ Salon, especially as over 40% of customers would consider having their hair cut there (CONT). By writing a bit of the plan each week, Sam can make time to update the plan and keep his customers satisfied, so that the partners are clear how they will deal with the competition (EVAL) (EVAL).</p>				<p>was usually one of 'sitting on the fence', i.e. giving reasons for and against but never stating an overall decision, such responses could not be rewarded with Evaluation marks.</p> <p>The other two marks available for Evaluation were given for the quality of the candidate's justification. It should be noted that some candidates made no attempt at justifying their decision, simply ending with a phrase like 'therefore Sam should/should not write a new business plan'. This is not good examination technique. Ending the response so abruptly limits the evaluation to one mark out of an available three.</p>
		ARA				
		Knowledge (1 mark)	Understanding (1 mark)	Application (2 marks)	Analysis (2 marks)	Evaluation (3 marks)
Strong	1 mark Knowledge that a business plan is a specific document (rather than a process). [K]	1 mark Understanding of the content of a business plan. [U]	2 marks Two demonstrations of quantitative skill. [APP] [APP]	2 marks One pro and one con (business facing) of a business plan. [AN] [AN]	3 marks A justified contextual judgement as to whether SJ Salon should write a new business plan. [EVAL] [EVAL] [EVAL]	
	Good				2 marks A justified judgement	<p>Of those candidates that did attempt to justify their decision, one extra Evaluation mark was given for a valid reason that would be appropriate to most businesses. For example, 'Sam should not write a new business plan (one mark) because it will take time away from satisfying his customers (plus one mark)'. Two extra Evaluation marks were given for reasoning that was not only valid but also contextual. For example, 'Sam should write a new business plan (one mark) because the salon needs to set new goals to compete once the national hairdressing (CONT) chain opens in the town (plus two marks)'.</p> <p>Common examples of numerical application evidenced in candidates' responses were:</p> <ul style="list-style-type: none"> • The majority of customers have used the salon for at least 5 years ($2024 - 2019 = 5$) • Sam last wrote a business plan 10 years ago ($2024 - 2014 = 10$) • The salon now has 4 employees ($2 + 2 = 4$) • The business has 4 part-time workers ($1 + 2 = 3$) • It would take Sam 75% of a working week to write the business plan ($30/40 \times 100$) • 96 of the customers asked were not aware of the new competitor ($200 - 104 = 96$) • 70 of those surveyed had only recently become customers ($200 - 130 = 70$)

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							<ul style="list-style-type: none"> • 33% of customers consider quality of service more important than price ($66/200 \times 100 = 33\%$) • 48% were not aware of the competition ($84/200 \times 100 = 42\%$) • 58% of customers would not try the competitor even if cheaper ($(100 - (84/200 \times 100)) = 58\%$) <p>For further examples, please see the list in the published mark scheme.</p> 						
	Li mit ed		<table border="1"> <tr> <td>1 mark</td> <td>1 mark</td> <td>1 mark</td> </tr> <tr> <td>One demonstration of quantitative skill. [APP]</td> <td>One pro or con (business facing) of a business plan. [AN]</td> <td>A decision as to whether SJ Salon should write a new business plan. [EVAL]</td> </tr> </table>	1 mark	1 mark	1 mark	One demonstration of quantitative skill. [APP]	One pro or con (business facing) of a business plan. [AN]	A decision as to whether SJ Salon should write a new business plan. [EVAL]				<p>To maximise Evaluation marks, candidates should be encouraged to give detailed contextual reasons in support of any decisions they make.</p>
1 mark	1 mark	1 mark											
One demonstration of quantitative skill. [APP]	One pro or con (business facing) of a business plan. [AN]	A decision as to whether SJ Salon should write a new business plan. [EVAL]											
		Total				25							