



National
Qualifications
2024

2024 Business Management

Advanced Higher

Question Paper Finalised Marking Instructions

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General marking principles for Advanced Higher Business Management

Always apply these general principles. Use them in conjunction with the detailed marking instructions, which identify the key features required in candidates' responses.

- (a) Always use positive marking. This means candidates accumulate marks for the demonstration of relevant skills, knowledge and understanding; marks are not deducted for errors or omissions.
- (b) If a candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.

Marks will be awarded as follows for

(i) Questions that ask candidates to 'Describe...'

Candidates must make relevant factual points, which may be characteristics and/or features, as appropriate to the question asked. These points may relate to a concept, process or situation.

Candidates may provide straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question

- **1 mark** should be given for each relevant factual point
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate.

(ii) Questions that ask candidates to 'Explain...'

Candidates must make accurate relevant points that relate cause and effect and/or make the relationships clear. These points may relate to a concept, process or situation.

Candidates may provide a number of straightforward points of explanation or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question

- **1 mark** should be given for each relevant point of explanation
- **1 mark** should be given for a further development of a relevant point, including exemplification when appropriate.

(iii) Questions that ask candidates to 'Compare...'

Candidates must demonstrate knowledge and understanding of the similarities and/or differences between things, methods or choices, for example. The relevant comparison points could include theoretical concepts.

Up to the total mark allocation for this question

- **1 mark** should be given for each accurate point of comparison.

(iv) Questions that ask candidates to 'Discuss...'

Candidates must make a number of points that communicate issues, ideas, or information about a given topic or context that will make a case for and/or against. It is not always necessary to give both sides of the debate in responses.

Up to the total mark allocation for this question

- **1 mark** should be given for each accurate point of knowledge that is clearly relevant
- **1 mark** should be given for any further development of a relevant point, including exemplification or a conclusion when appropriate.

(v) Questions that ask candidates to ‘**Analyse...**’

Candidates must demonstrate the ability to identify/describe/explain relevant parts, and the relationship between the parts and/or the whole. Candidates should be able to draw out and relate any implications and/or analyse data.

Up to the total mark allocation for this question

- **1 mark** should be given for each accurate point of analysis
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate.

(vi) Questions that ask candidates to ‘**Evaluate...**’

Candidates must demonstrate the ability to make a reasoned judgement in terms of the effectiveness or usefulness of something based on criteria. Candidates should be able to determine the value of something within context.

Up to the total mark allocation for this question

- **1 mark** should be given for each accurate point of evaluation
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate.

(vii) Questions that ask candidates to ‘**Explore...**’

Candidates must demonstrate the ability to carry out a detailed examination or enquiry, or follow a process in order to find out something.

Up to the total mark allocation for this question

- **1 mark** should be given for each accurate point
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate.

Marking Instructions for each question

SECTION 1

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|---|----------|--|
| 1. | | | <ul style="list-style-type: none"> • <u>£6.5 million raised for Teenage Cancer Trust</u> provides an income to the charity allowing it to improve its services and help more teenagers/families • <u>reduce fat, salt and calories</u> reduces the risk of obesity in customers <ul style="list-style-type: none"> ○ decreases mortality rates nationally ○ reduces pressure on funding the NHS <ul style="list-style-type: none"> ▪ tax can be invested in improving other state services • <u>10% of bonus linked to sustainability targets</u> encourages management to make ethical decisions as it may improve their personal wealth • <u>decarbonisation plan/net zero by 2050</u> reduces the emissions produced by Dominos slowing global warming/climate change • <u>100% of food waste redistributed</u> allows charities to reduce food poverty • <u>zero waste to landfill</u> reduces the amount of greenhouse gases (GHGs) produced from landfill waste • <u>100% of food suppliers audited</u> reduces likelihood of animal cruelty in the supply chain • <u>spot signs of modern slavery</u> prevents labour exploitation in Domino's supply chain ensuring suppliers' workers are paid/treated fairly | 6 | <p>Candidates must describe benefits to both stakeholders and environment to gain full marks.</p> <p>Candidates' responses should be based on the information from the case study.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p> |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|---|----------|---|
| 2. | | | <ul style="list-style-type: none"> • McGregor's Theory Y believes centres around motivation and is adopted by Domino's as it <u>believes employees are self-motivated/embrace change</u> • classical management advocates financial motivators shown by Domino's offering <u>competitive salary/pay review/discounts</u> <ul style="list-style-type: none"> ○ can result in greater productivity as workers strive to impress management in advance of a pay review • human relations management advocates that money is not the only motivator shown by Domino's offering an <u>'employee of the month award'</u> • <u>functional areas operate in teams</u> which Mayo found to be effective for increasing productivity in the Hawthorne experiments • Fayol's principle of centralisation is shown by Domino's using <u>experienced colleagues to oversee organisation-wide decision making</u> <ul style="list-style-type: none"> ○ reduces inequality across the franchise/prevents favouritism by management occurring between franchisees ○ decisions are made in line with Domino's objectives • Weber/classical management advocates the importance of a hierarchy as shown by Domino's <u>clear chain of command</u> • standardisation is central to classical management shown by Domino's <u>standardised procedures/ingredients</u> <ul style="list-style-type: none"> ○ can lead to consistent quality of the pizzas • division of labour in classical management promotes specialisation shown by Domino's having <u>clearly defined roles and responsibilities</u> <ul style="list-style-type: none"> ○ employees may become bored from constantly doing the same job • Gilbreth's motion studies/classical management focused on efficient timings shown by Domino's measuring its average <u>delivery times</u> • the combination of classical and human relations theories adopted by Domino's shows it uses a contingency management approach | 8 | <p>Candidates must explore at least 2 theories to gain full marks.</p> <p>Candidates' responses should be based on the information from the case study.</p> <p>Award 1 mark for each valid explored point.</p> <p>Award 1 mark for each valid development.</p> <p>Up to a maximum of 4 marks to candidates who make general points on management theories without linking them to Domino's policies and practices.</p> <p>Management theories must be labelled.</p> <p>Accept Maslow's Hierarchy of Needs and Herzberg Two-Factor theory.</p> <p>Accept any other suitable response.</p> |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|---|----------|---|
| 3. | | | <p>Introduced a delivery charge</p> <ul style="list-style-type: none"> with the <u>average person spending £600 per year on takeaways/food delivery market's rapid growth</u> a delivery charge could amount to a sizeable income for franchisees/increase their sales revenue <ul style="list-style-type: none"> helping franchisees to <u>offset rising costs</u> <u>royalty fee</u> on the charge provides extra funds to Domino's Pizza Group plc customers may be put off from purchasing due to the delivery charge amidst the <u>cost-of-living crisis</u> increased cost of ordering a takeaway pizza may worsen poverty in <u>deprived areas</u> <u>franchisees decide whether to introduce a delivery charge</u> so that if they operate in <u>deprived areas</u> they can wave the delivery charge to allow sales from lower-income households to continue may result in more people collecting their pizza and <u>increasing CO₂ in the process</u> (increased car usage) <p>Established a strategic partnership with Just Eat</p> <ul style="list-style-type: none"> Domino's/franchisees can meet the <u>increased demand for food delivery</u> resulting in greater sales revenue Domino's can compete with <u>Pizza Hut and McDonald's</u> on the Just Eat platform to increase its market share Just Eat customers now have access to Domino's on the app which may contribute to <u>increasing obesity</u> <ul style="list-style-type: none"> increases the pressure further on the <u>current cost to the taxpayer</u> for NHS funding <u>Just Eat produces 1.16kg of carbon dioxide per website visit</u> so the partnership with Dominos may reduce air quality by generating more CO₂ | 6 | <p>Candidates need to evaluate both changes to gain full marks.</p> <p>Candidates' responses should be based on the information from the case study.</p> <p>Award 1 mark for each valid evaluation.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p> |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|---|----------|--|
| 4. | | | | 8 | <p>Candidates' responses should be based on the information from the case study.</p> <p>Up to 4 marks for a force field diagram:</p> <ul style="list-style-type: none"> • 1 mark for 2 drivers • 1 mark for 2 resistors • 1 mark for an asset for change • 1 mark for differing arrows and headings <p>Award 1 mark for each valid analysis point.</p> <p>Up to a maximum of 4 marks for analysis of any individual drivers and/or resistors.</p> <p>A maximum of 1 mark for an overall evaluation.</p> <p>A maximum of 4 marks if there is no diagram.</p> |
| | | | Drivers | | |
| | | | UK Government recognises potential for 2030/£10 billion to UK economy | | |
| | | | reduces carbon emissions | | |
| | | | overcome external factors eg traffic | | |
| | | | development of a superhighway | | |
| | | | Resistors | | |
| | | | line of sight currently required | | |
| | | | distance from residential areas | | |
| | | | 2 years until the superhighway | | |
| | | | 39% of UK public concerned about delivery drone use | | |
| | | | Assets for change <ul style="list-style-type: none"> • 'DomiCopter' prototyped • technology transfer/experience of drones in New Zealand • market leader for pizza delivery • £81.6 million profit in 2022 | | |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|--|----------|---------------------|
| | | | <p>Drivers</p> <ul style="list-style-type: none"> • <u>UK Government recognises potential for 2030</u> - potential for Domino's to expand its delivery logistics using this infrastructure in future • <u>reduces carbon emissions</u> - will help Domino's to meet its sustainability goals • <u>overcome external factors eg traffic</u> - reduce Domino's average delivery time/increased delivery speeds <ul style="list-style-type: none"> ○ improved customer service/satisfaction • <u>development of a superhighway project</u> - may allow Domino's to supply a greater area in the future <p>Resistors</p> <ul style="list-style-type: none"> • <u>line of sight currently required</u> - requires labour who might as well be delivering the pizza via traditional methods • <u>distance from residential areas</u> - Domino's is unable to deliver directly to houses • <u>2 years until the superhighway</u> - Domino's needs to wait to utilise this superhighway for distribution in certain areas • <u>39% of UK public concerned about delivery drone use</u> - may put customers off ordering from Domino's if pizza is delivered by drones <p>Overall evaluation</p> <ul style="list-style-type: none"> • although the UK political landscape realises drone potential and will change in the future, the current regulatory framework makes pizza delivery by drone impractical as line of sight must be maintained • despite drones potentially reducing delivery times, any investment in drone technology may not make a return until it could fully automate pizzas delivery without the use of human operators | | |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|---|----------|---|
| 5. | | | <ul style="list-style-type: none"> • <u>2025 ban on adverts</u> leads to less exposure of the Domino's brand on TV - reducing sales revenue for franchisees • <u>2025 ban on BOGOF deals</u> means Domino's will have to withdraw its 'Two for Tuesday' deal - franchisees may have to invest in alternative marketing strategies <ul style="list-style-type: none"> ○ new marketing strategies may increase franchisees' expenses ○ reduced spending on raw materials/ingredients <ul style="list-style-type: none"> ▪ reducing cost of sales • <u>future junk food tax</u> may force prices up - franchisees may struggle to compete with healthier food delivery providers • <u>increase in income tax</u> means franchisees pay more tax on their salary - reducing their disposable income/discretionary income/personal wealth • <u>increase in income tax</u> means customers will have less spending power - leading to reduced demand/drop in sales • <u>increase in universal credit allowance/child benefit rates</u> could lead to increase spending from deprived areas - increasing sales revenue • <u>increase in corporation tax</u> means franchisees pay more on their profit for the year/reduces profit (after tax) - reducing their income <ul style="list-style-type: none"> ○ franchisees may have less retained profit to reinvest into their stores • <u>20% VAT</u> means franchisees can maintain prices - encouraging continued sales | 6 | <p>Candidates' responses should be based on the information from the case study.</p> <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p> |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|--|----------|--|
| 6. | | | <ul style="list-style-type: none"> • <u>sales revenue decreased</u> - may have reduced profit for the year <ul style="list-style-type: none"> ○ possibly less profit available for reinvestment ○ may have contributed to the reduction in cash flow ○ may result in franchisees changing selling prices ○ may result in Domino's investing in more national advertising ○ less VAT to the government • <u>app orders increased</u> - requires increase spending on maintenance/development of the app <ul style="list-style-type: none"> ○ can gather more data on customers for targeted marketing • <u>new stores increased</u> - improved national pizza delivery coverage <ul style="list-style-type: none"> ○ increased brand awareness from store signage ○ generates more royalty fee income ○ requires more franchisee training • <u>fewer deliveries on time</u> - need to address more customer complaints <ul style="list-style-type: none"> ○ may deter customers • <u>net debt increased</u> - may increase future finance costs/expenses • <u>cash flow decreased</u> - may limit future spending potential • <u>dividend per share increased</u> - improved shareholders' income/wealth • <u>share buyback increased</u> - remaining shareholders may see an increase in dividends | 6 | <p>Candidates must explore at least 2 effects to gain full marks.</p> <p>Candidates' responses should be based on the information from the case study.</p> <p>Award 1 mark for each valid explored point.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p> |

SECTION 2

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|-----|--|---|----------|--|
| 7. | (a) | | <ul style="list-style-type: none"> • lower prices due to cheaper labour as the average monthly salary in China is around one quarter of that in the UK • abundance of resources eg China's mineral reserves are amongst the largest in world • China's middle class segment growth is amongst the fastest in the world giving UK organisations a market for high-end products <ul style="list-style-type: none"> ◦ eg the number of Chinese millionaires is set to grow from 6.2 million in 2021 to 12.2 million by 2026 • disposable income has doubled in China in the last 10 years creating demand for UK organisation's products • China has over 70% internet coverage and with its growth online sales from UK organisations are increasing • ambassadors building trading links eg work carried out by the China Britain Business Council (CBBC) • the relationship between UK and China is politically strengthening eg in 2022 Beijing and London celebrated 50 years of their diplomatic relations • China is the second largest spender on R&D (after the USA) which may provide high quality innovative goods to UK customers • increase in Chinese students in UK universities increases UK exports of education to China • improved transport/infrastructure links eg China's 'Belt and Road Initiative' | 6 | <p>Candidates must explore at least 2 reasons to gain full marks.</p> <p>Award 1 mark for each valid explored point.</p> <p>Award 1 mark for each valid development.</p> <p>Up to a maximum of 3 marks for general points which are not specific to the economy of China.</p> <p>Accept any other suitable response.</p> |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|-----|--|--|----------|---|
| | (b) | | <ul style="list-style-type: none"> wages in China have risen by 10% since the global pandemic language barriers may require Mandarin/Cantonese etc translation expenses China's more permissive regulatory environment can be seen as exploitation/unethical eg over 5% of children between the ages of 10-15 are working in China may face backlash from customers in other countries due to China's treatment of the Uyghur population in Xinjiang products may need altered eg 2-pin plugs in China intellectual property (IP)/copyright violations are extremely common in China CST is -8 hours ahead of the UK which can create communication problems subject to exchange rate fluctuations converting into RMB/Yuan increased foreign competition eg from China-Australia Free Trade Agreement (ChAFTA) <ul style="list-style-type: none"> may have to lower selling prices the Chinese government still enforces much protectionism regarding FDI eg it is difficult/complicated to enter China as a WFOE <ul style="list-style-type: none"> JV ownership ratio/structures is regulated by the Chinese Government legal barriers eg China's Foreign Investment Law which became effective in 2020 <ul style="list-style-type: none"> corporate law in China tends to favour Chinese organisations China owns around £143 billion in UK assets and with its buying power UK organisations may be susceptible to a takeover | 4 | <p>Candidates must describe at least 2 challenges to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p>Up to a maximum of 2 marks for general points which are not specific to the economy of China.</p> <p>Accept any other suitable response.</p> |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|--|----------|---|
| 8. | | | <p>home country</p> <ul style="list-style-type: none"> increased job opportunities for home country's graduates across the world <ul style="list-style-type: none"> may attract more graduates to universities offering certain courses GNP may improve due to nationals employed abroad greater upskilling due to less demand for unskilled labour/people are encouraged to seek education to ensure they can be employed <ul style="list-style-type: none"> earn a greater income higher standard of living improved economy due to multiplier effect jobs created from demand for home country's exports improved balance of payments from the inward flow of foreign earnings profits may be repatriated to the home country increasing spending power home companies can benefit from valuable skills/processes/management techniques learnt abroad contributing to economic growth financial institutions may gain opportunities eg offering investment/funding | 10 | <p>Candidates must discuss at least one benefit to the home country and at least one benefit to the host country to gain full marks.</p> <p>Award 1 mark for each valid discussion point.</p> <p>Award 1 mark for each valid development.</p> <p>Watch for repetition.</p> <p>Accept any other suitable response.</p> |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|---|----------|---------------------|
| | | | <p>host country</p> <ul style="list-style-type: none"> • creates direct employment as the multinational employs local people <ul style="list-style-type: none"> ◦ indirect employment from the multinational's use of local suppliers/contractors • multinational may have the resources available to take advantage of previously un-tapped resources which can then be shared with the host country • infrastructure improvements from FDI taking pressure of local government budgets <ul style="list-style-type: none"> ◦ eg transport links can benefit the local area reducing congestion • boost to local economy as employees will spend wages locally • tax paid to the government can be used to improve public services • competition can force local businesses to lower prices for host country citizens <ul style="list-style-type: none"> ◦ better quality products to consumers ◦ greater consumer choice | | |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|-----|--|--|----------|---|
| 9. | (a) | | <ul style="list-style-type: none"> • using positive action to select under-represented genders by favouring the candidate of an under-represented gender where two candidates are as qualified as each other (of 'equal merit') • setting targets to increase the % of under-represented genders in the workplace <ul style="list-style-type: none"> ◦ eg Shell aims to have 40% women in senior leadership by 2030 • publishing job adverts in places which target under-represented genders • including statements in job adverts to encourage applications from an under-represented gender (such as 'we welcome female applicants') • offering training/internships to help an individual of an under-represented gender get better opportunities • offering shadowing/mentoring to employees of an under-represented gender to progress at work • hosting an open day specifically for an under-represented gender • funding internal network groups eg Coca-Cola Women in STEM (CWIS) • offering flexible work patterns to attract/retain working parents • creating graduate programs for a specific gender • run marketing campaigns to raise awareness of under-representation in certain workplaces/industries • appoint a diversity manager to monitor gender balance | 4 | <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a development point.</p> <p>Accept any other suitable response.</p> |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|-----|--|---|----------|--|
| | (b) | | <ul style="list-style-type: none"> different ways of thinking/experiences from diverse backgrounds can improve decision making <ul style="list-style-type: none"> generates more innovative solutions increasing competitiveness may secure diversity awards <ul style="list-style-type: none"> can be used to attract applicants in the future by featuring awards in advertising eg 'The Stonewall Top 100 Employers' list is compiled from the Workplace Equality Index and is the UK's leading benchmarking tool for LGBTQ+ inclusion at work utilising employees' understanding of cultural nuances can minimise barriers to growth overseas a more inclusive working environment can motivate staff/increase productivity <ul style="list-style-type: none"> may improve the employee retention rate/lower staff turnover employees feel included/accepted at work improving employee relations multigenerational learning can occur increasing the workforce's flexibility/skills better understanding of other cultures promotes increases tolerance/respect reducing likelihood of conflict in the workplace | 6 | <p>Candidates must discuss at least 2 benefits to gain full marks.</p> <p>Award 1 mark for each valid discussion point.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p> |

| Question | | | Expected response(s) | Max mark | Additional guidance |
|----------|--|--|---|----------|---|
| 10. | | | <p>unfreezing</p> <ul style="list-style-type: none"> • recognises the need for change • consults with employees/reviews data • prepares a force field analysis <ul style="list-style-type: none"> ○ identifies resistors to the change and try to reduce them • promotes the reasons/benefits of the change • manages employees' expectations • devises alternative change options/contingencies • defines the roles and responsibility of key players • gathers research to inform decisions <p>changing</p> <ul style="list-style-type: none"> • implements the process of change • trains staff in new processes • updates procedures and policies • gradually introduces the change • offers rewards to motivate employees embracing the change • realises when the goals have been met so that refreezing can begin <p>refreezing</p> <ul style="list-style-type: none"> • reinforces the change using supervision/continuous training • celebrates success with recognition/rewards • evaluates the change <ul style="list-style-type: none"> ○ reports on its performance ○ takes corrective action if necessary • coordinates resources to sustain change | 10 | <p>Candidates must describe at least one activity for each stage to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p>Award 1 mark for a definition of a change agent.</p> <p>Some processes are interchangeable between stages - watch for repetition.</p> <p>Up to a maximum of 5 marks may be awarded for general descriptions of activities carried out by a change agent which are not linked to Lewin's stages.</p> <p>Accept any other suitable response.</p> |

[END OF MARKING INSTRUCTIONS]