

Cambridge International AS & A Level

BUSINESS**9609/22**

Paper 2 Business Concepts 2

May/June 2024

MARK SCHEME

Maximum Mark: 60

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **43** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

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**Social Science-Specific Marking Principles
(for point-based marking)**

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require n reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Subject Specific Marking Principles for point-based marking**1 Using point-based marking:**

Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion. From this it follows that we:

- DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning, unless the mark scheme requires a specific term.
- DO credit alternative answers/examples which are not in the mark scheme if they are correct.
- DO credit answers where candidates give more than one correct answer where extended writing is required rather than short/list-type answers.
- DO NOT credit answers simply for using a key term unless that is all that is required. (Check for evidence it is clearly understood and used correctly.)
- DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities. For questions that require n reasons, e.g. State two reasons..., mark only the first two answers given, not any two that are correct out of a longer list.
- DO NOT give further credit for what is effectively repetition of a correct point already credited or to 'mirror' statements. For example, a response that includes: 'A business owner would benefit from limited liability as it would protect their personal possessions.' and 'If a business owner did not have limited liability they could lose everything.', cannot both be rewarded in answer to one question.
- DO NOT require spellings to be correct, it is not part of the test. However, spellings of business terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused, e.g. offshore/outsource or effective/efficient.

1 Presentation of mark scheme:

- Questions are in bold text.
- Possible responses are in normal text in a bulleted list.
- Marks are rewarded based on the table provided for each question.
- Possible responses are listed under the appropriate Assessment Objective.
- Slashes (/) separate alternative ways of making the same point.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark.

2 Annotation:

- Every response must have a minimum of one annotation.
- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers.
- For questions where only AO1 and AO2 are rewarded, there is a direct relationship between ticks and marks.
- For levels of response marking, the first time level 1 is achieved, L1 is annotated on the response. If/when level 2 is achieved, L2 should be used, etc.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who mark that paper.

Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives**AO1 Knowledge and understanding**

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application

Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation

Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

PREPARATION FOR MARKING

- 1 Make sure that you have completed the relevant training and have access to the *RM Assessor Guide*.
- 2 Make sure that you have read and understand the question paper, which you can download from <https://support.rm.com/ca>
- 3 Log in to RM Assessor then mark and submit the required number of practice and standardisation scripts. You will need to mark the standardisation scripts to the required accuracy in order to be approved for marking live scripts. You may be asked to re-mark them, or to mark a second sample, if you do not meet the required accuracy on your first attempt.

MARKING PROCESS

- 1 Mark strictly to the FINAL mark scheme, applying the criteria consistently and the general marking principles outlined on the previous page.
- 2 If you are in doubt about applying the mark scheme, consult your Team Leader.
- 3 Mark at a steady rate through the marking period. Do not rush, and do not leave too much until the end. If you anticipate a problem in meeting the deadline, contact your Team Leader immediately and the Examiners' Helpdesk.
- 4 Examiners will prepare a brief report on the performance of candidates to send to their Team Leader via email by the end of the marking period. The Examiner should note strengths seen in answers and common errors or weaknesses. Constructive comments on the question paper, mark scheme or procedures are also appreciated.

MARKING SPECIFICS**Crossed out work**

- 1 **All of a candidate's answers, *crossed out* or not, *optional* or not, must be marked.**
- 2 The only response not to be marked is one that has been crossed out and replaced by another response for that exact same question.
- 3 Consequently, if a candidate has crossed out their response to an optional question and gone on to answer a different optional question then both attempts must be marked. The higher mark will be awarded by the system according to the rubric.








0 (zero) marks or NR (no response)

- 1 Award **NR** if there is nothing at all written in answer to that question (often the case for optional questions).
- 2 Award **NR** if there is a comment which is not an attempt at the question (e.g. 'can't do it' or 'don't know' etc.)
- 3 Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
- 4 Award **0** (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.


Annotation

- 1 Every question must have at least one annotation e.g. <NAQ> if it is an NR and <X> or <seen> if 0 marks are awarded.
- 2 Every page of a script must have at least one annotation e.g. <BP> for a blank page.

PUBLISHED**Annotations for RM Assessor**



<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Correct		For objective points that are right or wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate)
Incorrect		For objective points that are wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate) Also, incorrect elements of ANY question.
Unclear		When there is a misunderstanding in a response.	Any
Too Vague		When the candidate has attempted something, but the mark/skill has not been awarded.	Any
Highlight	Highlighter Or Underline	To highlight a point or section of an answer that justifies the mark/annotation.	Any
Benefit of doubt		When the candidate has attempted something, and the mark/skill has been awarded.	Any
On page comment	On page comment	Rarely used in live marking. Very useful for practice scripts. To communicate with the supervisor.	Any
Not using text		When the context has not been used.	Q1(b)(ii) , Q1(c) , Q1(d) , Q2(b)(ii) , Q2(c) , Q2(d) .
Seen		To show a page/section has been seen/read.	Any

<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Not answering question	NAQ	When the response is not focussed on answering the question.	Any
Repetition	REP	The repetition of a previous point in a response Or Candidate is copying the case study/data.	Any
Own figure rule	OFR	The own figure rule applies – acts as a mark/tick.	Q1(b)(i) and Q2(b)(i)
Knowledge (AO1) L1	K	When AO1 has been awarded. Number of Ks should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Knowledge (AO1) L2			
Application (AO2) L1	APP	When AO2 has been awarded. Number of APPs should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Application (AO2) L2			
Analysis (AO3) L1	AN	When AO3 at Level 1 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Analysis (AO3) L2	DEV	When AO3 at Level 2 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Evaluation (AO4) L1	EVAL	When AO4 at Level 1 has been awarded.	Q1(d) and Q2(d)
Evaluation (AO4) L2	E	When AO4 at Level 2 has been awarded.	Q1(d) and Q2(d)


<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Evaluation (AO4) L3		When AO4 at Level 3 has been awarded.	Q1(d) and Q2(d)


Question	Answer	Marks
1(a)(i)	<p>Identify <u>one</u> feature of a private limited company.</p> <p>Responses may include:</p> <p>Any feature of a private limited company ✓, including:</p> <ul style="list-style-type: none"> • limited liability • shareholders • incorporated • shares not traded on stock exchange/publicly • must make accounts publicly available • separate legal identity • continuity • sells shares to people they know (invited). <p>Accept all valid responses.</p>	1



Question	Answer	Marks								
1(a)(ii)	<p>Explain the term <i>sustainability</i>.</p> <table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table> <p>Indicative content</p> <p>AO1 Knowledge and understanding Knowledge of sustainability 🇬🇧 may include:</p> <ul style="list-style-type: none">maintaining operations/production. <p>Allow (but do not require) knowledge of sustainability from an environmental perspective, which may include:</p> <ul style="list-style-type: none">environmental balance.conserve natural resources.	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.	3
AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks									
	2 marks Developed application of one relevant point to a business context.									
1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.									
0 marks No creditable response.	0 marks No creditable response.									

Question	Answer	Marks									
1(a)(ii)	<p>AO2 Application</p> <p>Explanation of sustainability  may include:</p> <ul style="list-style-type: none">• maintaining operations/production: at the current level• the ability to maintain an environmental balance: now and in the future for our planet's natural environment• to conserve natural resources: to support the wellbeing of current and future generations <p>Context applied to business of how to behave in a sustainable way , including:</p> <ul style="list-style-type: none">• An example of a business behaving in a sustainable way <p><i>Application can be made to PS or any other scenario/context/business/person.</i></p> <p><i>Allow application to environmental sustainability.</i></p> <p>Accept all valid responses.</p> <p>Guidance in awarding marks</p> <table><tr><td>Knowledge & understanding</td><td>Knowledge of sustainability</td><td>1 mark</td></tr><tr><td>Explanation</td><td>Explanation of sustainability</td><td>1 mark</td></tr><tr><td>Context</td><td>Applied to a business context/ business environment</td><td>1 mark</td></tr></table>	Knowledge & understanding	Knowledge of sustainability	1 mark	Explanation	Explanation of sustainability	1 mark	Context	Applied to a business context/ business environment	1 mark	
Knowledge & understanding	Knowledge of sustainability	1 mark									
Explanation	Explanation of sustainability	1 mark									
Context	Applied to a business context/ business environment	1 mark									

Question	Answer			Marks
1(a)(ii)	Exemplar and annotations	Mark	Rationale	
	Keeping the natural environment safe now € . So that it is usable in the future LEP , to reduce dependence on single use plastic LEP .	3	Sustainability from an environmental perspective – what the business could do now and then explained in terms of how it might help the future – plus an example (single use plastic)	
	Making sure a business can maintain its current production now € and in the future LEP . For example, not relying on fossil fuels LEP .	3	Clear knowledge based on now € and in the future € , with a clear example.	
	Sustainability involves looking after the environment € for example by recycling LEP	2	Knowledge and an example – no explanation.	
	Sustainability is a social goal about the ability of people to co-exist on Earth over a long time. € .	1	A reasonable definition with the idea of now and the future.	
	Sustainability is about looking to the future. Py	0	Too vague. Some idea of the future, but not about maintaining now.	






Question	Answer	Marks																				
1(b)(i)	<p>Refer to Table 1.1. Calculate the variances in 2023 (x, y and z) and state whether each variance is favourable or adverse.</p> <table><tr><td></td><td>Budgeted</td><td>Actual</td><td>Variance</td></tr><tr><td></td><td>\$000</td><td>\$000</td><td></td></tr><tr><td>Revenue</td><td>500</td><td>600</td><td>100 and Favourable (F)</td></tr><tr><td>Direct costs</td><td>300</td><td>350</td><td>50 and Adverse (A)</td></tr><tr><td>Indirect costs</td><td>150</td><td>125</td><td>25 and Favourable (F)</td></tr></table> <p>1 mark for each correctly calculated variance  (including favourable or adverse).</p> <p><i>Ignore + and – signs.</i></p> <p><i>Allow unfavourable.</i></p>		Budgeted	Actual	Variance		\$000	\$000		Revenue	500	600	100 and Favourable (F)	Direct costs	300	350	50 and Adverse (A)	Indirect costs	150	125	25 and Favourable (F)	3
	Budgeted	Actual	Variance																			
	\$000	\$000																				
Revenue	500	600	100 and Favourable (F)																			
Direct costs	300	350	50 and Adverse (A)																			
Indirect costs	150	125	25 and Favourable (F)																			

Question	Answer	Marks								
1(b)(ii)	Explain <u>one</u> benefit to PS of using incremental budgeting.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
	0 marks No creditable response.		0 marks No creditable response.							
Indicative content										
AO1 Knowledge and understanding										
Knowledge of a benefit of using incremental budgeting  , including:										
<ul style="list-style-type: none">• Simplicity / easy to adjust• Speed (quicker)• Consistency• Avoids conflict between managers• Realistic• Allows business to respond to changes										
<i>Must be about incremental budgeting. As opposed to budgeting in general. No further marks can be gained without knowledge and understanding of a benefit of incremental budgeting.</i>										

Question	Answer	Marks									
1(b)(ii)	<p>AO2 Application</p> <p>Explanation of a benefit of using incremental budgeting , including:</p> <ul style="list-style-type: none"> • Simplicity; by adding a small amount to the previous time period, this avoids any complicated preparations • Speed (quicker); reduced the time needed to prepare a business' budgets • Consistency; as each budget uses the previous as a base, there is a consistent approach every time • Avoids conflict between managers; due to the consistent approach • Realistic; because based on previous data <p>Context of a benefit of using incremental budgeting , including:</p> <ul style="list-style-type: none"> • Use of Table 1.1 • Each budget has a variance • OFR from answer to Q1(b)(i) • PS sells through its own website • Web sales and subscription available • PS uses the postal service • Aim to improve the sustainability of its operations • New Marketing Manager being recruited <p>Accept all valid responses.</p> <p>Guidance in awarding marks</p> <table border="1"> <tr> <td>Knowledge & understanding</td><td>Knowledge of a benefit of using incremental budgeting</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of a benefit to a business of using incremental budgeting</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Context linked to a benefit to PS of using incremental budgeting</td><td>1 mark</td></tr> </table>	Knowledge & understanding	Knowledge of a benefit of using incremental budgeting	1 mark	Explanation	Explanation of a benefit to a business of using incremental budgeting	1 mark	Context	Context linked to a benefit to PS of using incremental budgeting	1 mark	
Knowledge & understanding	Knowledge of a benefit of using incremental budgeting	1 mark									
Explanation	Explanation of a benefit to a business of using incremental budgeting	1 mark									
Context	Context linked to a benefit to PS of using incremental budgeting	1 mark									

Question	Answer			Marks
1(b)(ii)	Exemplar and annotations	Mark	Rationale	
	It is quicker than other methods of budgeting [K] because the Manager just adds on a small amount to budget from last year [K]. which means they can focus on PS's website [K].	3	Speed/quicker is enough for knowledge, which is then explained with context.	
	Because it is based on past data [K] incremental budgeting is more realistic [K], so that the revenue variance should be less than 100 next year [K].	3	Starts with the explanation, followed by the knowledge. Without the knowledge, this would be 0 marks. The example has OFR based on the answer to Q1(b)(i) .	
	It is easy to use incremental budgeting [K] because it's based on previous figures [K].	2	Knowledge (easy to use) with some explanation, but no context.	
	It is easier [K] as they can just add 100 to the revenue budget [K].	2	Knowledge and context.	
	Incremental budgeting is easier [K] and quicker than other forms of budgeting such as zero budgeting, where the Manager has to start from scratch every year. There is also historical budgeting which is doing it based on what happened in the past. This would take longer and be more complicated than incremental budgeting.	1	Knowledge at the start – the rest of the answer is NAQ.	
	Incremental budgeting involves adding a small amount to each of the budgets for previous years.	0	There is knowledge of incremental budgeting, but no knowledge of a benefit.	
	Incremental budgeting is about guessing how much revenue, cost and profit a business will achieve and then comparing this to what actually happened. PS had a variance on every budget, so they must not have done their budgeting well.	0	No knowledge of a benefit of incremental budgeting.	



Question	Answer				Marks
1(c)	Analyse <u>one</u> advantage and <u>one</u> disadvantage to PS of using an assessment centre when selecting a Marketing Manager.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis <ul style="list-style-type: none"> Developed analysis that identifies connections between causes, impacts and/or consequences of two points. Developed analysis that identifies connections between causes, impacts and/or consequences of one point. 	
	1	1–2 marks <ul style="list-style-type: none"> Knowledge of two relevant points is used to answer the question. Knowledge of one relevant point is used to answer the question. 	1–2 marks <ul style="list-style-type: none"> Application of two relevant points to a business context. Application of one relevant point to a business context. 	1–2 marks Limited analysis <ul style="list-style-type: none"> Limited analysis that identifies connections between causes, impacts and/or consequences of two points. Limited analysis that identifies connections between causes, impacts and/or consequences of one point. 	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	






Question	Answer	Marks
1(c)	<p>Indicative content</p> <p>AO1 Knowledge and understanding</p> <p>Knowledge of an assessment centre  (max 1 mark if no knowledge of advantage or disadvantage), including:</p> <ul style="list-style-type: none"> • a combination of tasks and activities that test suitability for the job • chance to demonstrate a wider range of skills than during a traditional face-to-face interview. • hosted over anything from an afternoon to two days • often the final stage of the selection process • a group of candidates usually attend together. <p>Knowledge of an advantage  (max 1 mark – annotate on left) may include:</p> <ul style="list-style-type: none"> • More suitable/knowledgeable/skilled recruit • Wider skilled recruit / more skills tested • More detailed process • Useful as final stage of recruitment • Allows direct comparison with other candidates • Less time involved <p>Knowledge of a disadvantage  (max 1 mark – annotate on right) may include:</p> <ul style="list-style-type: none"> • Takes more time • Cost of an assessment centre • Not realistic / not linked to specific employment / may assess unnecessary skills / knowledge <p>AO2 Application</p> <p>Context applied to an advantage  (max 1 mark) and disadvantage  (max 1 mark) of using an assessment centre, including:</p> <ul style="list-style-type: none"> • To plan the recruitment and training of a new sales team. • To organise the production of digital promotions. • To advise the board of directors on changes to the PS product portfolio. • To do tasks relating to the marketing of PS (e.g. perfume, website sales, subscription sales, importance of packaging). • Five shortlisted applicants. • Use of Table 1.1 	




Question	Answer	Marks
1(c)	<p>AO3 Analysis</p> <p><i>Limited analysis</i> 4.5 – candidate shows one link in the chain of analysis.</p> <p><i>Developed analysis</i> 5.5+ candidate shows two or more links in the chain of analysis or a two-sided analysis.</p> <p>Advantages may include:</p> <ul style="list-style-type: none"> • More suitable recruit • lower costs of marketing – increase profitability • higher sales – increase profits • Wider skilled recruit • lower costs of marketing – increase profitability • higher sales – increase profits • Longer process than an interview; more likely to find a better candidate – increase sales and growth of PS. • Final stage of recruitment; may be a suitable way to distinguish between qualified and similar candidates – increase chances of getting the best candidate. • Allows direct comparison with other candidates – increases probability of finding the best candidate who can improve the marketing of PS. <p>Disadvantages may include:</p> <ul style="list-style-type: none"> • Takes more time; increase costs – reduces profitability. • May assess unnecessary skills and provides an unrealistic image of the candidates and increases the probability of choosing the wrong candidate – increases costs in the long run (more recruitment needed). • Cost of an assessment centre; significantly more expensive than an interview – decreased profitability. <p>Accept all valid responses.</p>	



Question	Answer			Marks
1(c)	Exemplars and annotations			
	AO1 Knowledge	AO2 Application	AO3 Analysis	
	Better skilled employees AO1 .	So that PS can make sure their new manager can organise the production of digital promotions AO2 .	Which can help PS to increase their sales revenue AO3 by selling more perfume and make a greater profit AO3 .	
	Assessment centres have a high cost AO1 .	As all five potential managers AO2 will be invited.	Which will reduce the profitability of PS AO3 and reduce the dividends for the shareholders AO3 .	



Question	Answer					Marks
1(d)	Evaluate the role of effective packaging for PS.					12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	
	3				5–6 marks Developed evaluation in context <ul style="list-style-type: none"> A developed judgement/conclusion is made in the business context. Developed evaluative comments which balance some key arguments in the business context. 	
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation <ul style="list-style-type: none"> A developed judgement/conclusion is made. Developed evaluative comments which balance some key arguments. 	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation <ul style="list-style-type: none"> A judgement/conclusion is made with limited supporting comment/evidence. An attempt is made to balance the arguments. 	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

Question	Answer	Marks
1(d)	<p>Indicative content</p> <p>AO1 Knowledge and understanding</p> <p>Knowledge of the role of packaging  (max 2 marks), including:</p> <ul style="list-style-type: none"> • information to customers • protection for the product • to attract potential customers • to promote a brand / branding • to enable efficient distribution/portability • to add value • to meet legal requirements (labelling, weight, ingredients etc.) <p>AO2 Application</p> <p>Context applied to the role of packaging for PS  (max 2 marks), including</p> <ul style="list-style-type: none"> • website purchases • subscription purchases • Most perfumes sold in glass bottles (fragility) • all products delivered to homes by post • can be left in mailbox • can be left in safe place outside of the home (weatherproof) • PS aim to improve sustainability of operations • use of Table 1.1 	

Question	Answer	Marks
1(d)	<p>AO3 Analysis</p> <p><i>Limited analysis</i>  – candidate shows one link in the chain of analysis.</p> <p><i>Developed analysis</i>  – candidate shows two or more links in the chain of analysis.</p> <ul style="list-style-type: none"> • Information to customers; to increase sales of both product lines for PS – increase profits and enable growth of SS. • Protection for the product; • Glass bottles will break if not packaged correctly – PS needs to replace products increasing costs • Packages need to be able to be left outdoors – otherwise poor customer satisfaction and lower repeat sales. • To attract potential customers; good packaging may encourage increased sales from customers – however as the products are sold through the website this may not have a large effect on sales. • To enable efficient distribution/portability; products left in mailbox so packaging needs to be small enough to post and increase speed of delivery – reduces costs of delivering the product. • To add value – sales have been 20% higher than budgeted so poor packaging might discourage customers from repurchasing products – increases sales/profit. • The packaging is not the main product and so may not add much value in a customer's perception – increased costs without an increase in sales. • Balance between importance of packaging and sustainability – more packaging likely to protect the product but also less sustainability. <p>AO4 Evaluation</p> <p><i>Limited evaluation</i>  – unsupported judgement and/or a weak attempt at evaluative comment</p> <p><i>Developed evaluation</i>  – supported judgement and/or reasonable evaluative comment</p> <p><i>Developed evaluation in context</i>  – supported judgement in context and/or reasonable evaluative comment in context.</p> <ul style="list-style-type: none"> • A judgement over role of effective packaging. • Evaluation of the relative importance of different factors. • Elements that the evaluation/judgement might depend upon – cost of the packaging as a proportion of the total costs of the product, packaging that the perfume is purchased with (from manufacturers), likelihood of products being left outside, likelihood of moving into retail shops in the future, the new Marketing Manager's strategy. <p>Accept all valid responses.</p>	

Question	Answer			Marks
1(d)	Exemplars for awarding evaluation			
	L1  (limited supporting evidence)	L2  (developed supporting evidence)	L3  (developed supporting evidence with context)	
	Effective packaging is essential for PS.	Effective packaging is essential for PS, so that their products are delivered safely to customers.	Effective packaging is essential for PS, so that the glass bottles are delivered unbroken to customers.	
	There are many more things that are more important to PS than packaging.	There are many more things that are more important to PS than packaging. If the price is wrong, then no matter how good the packaging is, no-one will want it.	There are many more things that are more important to PS than packaging. If the price is wrong, then no matter how good the packaging is, no-one will want it, that is why PS sells its perfume cheaper than high street stores.	
	The role of packaging depends upon the cost of the packaging.	The role of packaging depends upon the cost of the packaging. If the packaging increases PS direct costs, then it may be better to spend the money on more promotion.	The role of packaging depends upon the cost of the packaging. If the packaging increases PS direct costs beyond \$350 000, then it may be better to spend the money on more promotion.	
	In the short term, effective packaging may cost too much.	In the short term, effective packaging may cost too much, however in the long term it will make the PS brand memorable.	In the short term, effective packaging may cost too much, however in the long term it will make the PS brand memorable, which is vital to keep customers paying for their subscription.	

Question	Answer	Marks								
2(a)(i)	<p>Identify <u>one</u> type of training.</p> <p>Indicative content</p> <p>Types of training  are:</p> <ul style="list-style-type: none">• Induction• On the job• Off the job	1								
2(a)(ii)	<p>Explain the term <i>mass market</i>.</p> <table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table> <p>Indicative content</p> <p>AO1 Knowledge and understanding</p> <p>Knowledge of mass market  (max 1 mark), including:</p> <ul style="list-style-type: none">• Aiming a product or service at the majority of people.• Made for the large part of the population• Made for most of the population/market <p><i>Allow 'not a segment of the market' or 'all of the market' or 'everyone'.</i></p>	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.	3
AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks									
	2 marks Developed application of one relevant point to a business context.									
1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.									
0 marks No creditable response.	0 marks No creditable response.									

Question	Answer	Marks											
2(a)(ii)	<p>AO2 Application</p> <p>Explanation of a characteristic of the mass market (or mass marketing) , including:</p> <table><tr><td><ul style="list-style-type: none">Many different size/colour productsOne size fits all products /standardisedCustomer wants are more general and less specificAssociated with high output/quantity (than a segment or niche market)Associated with low(er) prices (than a segment or niche market)</td><td><ul style="list-style-type: none">May benefit from economies of scaleLower risk than niche markets or segmented marketsHigh level of competitionCompetition on national/international/global scale.</td></tr></table> <p>Context applied to mass market(s) , including:</p> <ul style="list-style-type: none">Relevant example of mass market(s) (including the shoe market) <p><i>Must be an example of the market (the people who might purchase canned drinks) – not a product aimed at the mass market (Coke)</i></p> <p><i>Application can be made to PS or any other scenario/context/business/person.</i></p> <p>Accept all valid responses.</p> <p>Guidance in awarding marks</p> <table><tr><td>Knowledge & understanding</td><td>Knowledge of a/the mass market</td><td>1 mark</td></tr><tr><td>Explanation</td><td>Explanation of a characteristic of the mass market</td><td>1 mark</td></tr><tr><td>Context</td><td>Applied to a business context/ business environment</td><td>1 mark</td></tr></table>	<ul style="list-style-type: none">Many different size/colour productsOne size fits all products /standardisedCustomer wants are more general and less specificAssociated with high output/quantity (than a segment or niche market)Associated with low(er) prices (than a segment or niche market)	<ul style="list-style-type: none">May benefit from economies of scaleLower risk than niche markets or segmented marketsHigh level of competitionCompetition on national/international/global scale.	Knowledge & understanding	Knowledge of a/the mass market	1 mark	Explanation	Explanation of a characteristic of the mass market	1 mark	Context	Applied to a business context/ business environment	1 mark	
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Knowledge & understanding	Knowledge of a/the mass market	1 mark											
Explanation	Explanation of a characteristic of the mass market	1 mark											
Context	Applied to a business context/ business environment	1 mark											


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Question	Answer			Marks
2(a)(ii)	Exemplar and annotations	Mark	Rationale	
	Mass markets are aimed at everybody ☐ . For example, in the shoe market, this might be plain black shoes that anybody could wear ☐ which are all the same ☐ .	3	An answer which starts with the knowledge and then applies it to mass shoe market, with a characteristic.	
	CS can sell in high quantity ☐ to the whole market ☐ . At a low price ☐ .	3	Two characteristics surrounding the knowledge.	
	Aiming at the majority of people who might want to buy the product ☐ . For example, customers who might buy a blank T-Shirt ☐ .	2	Clear knowledge. Some application through an example.	
	A mass market is one that is not focussed on a market segment ☐ . Therefore, the product could be bought by anyone. It is likely that a large number of people would be potential customers.	1	A reasonable definition but what follows is more of the same knowledge.	
	Mass markets have high sales revenue ☐ and products are likely to have higher price than a niche market ✗ . This could give the business access to economies of scale ☐ .	0	There are two characteristics here, but no knowledge of mass markets. Therefore, no marks can be awarded.	

Question	Answer	Marks
2(b)(i)	<p>Refer to Table 2.1. Calculate the contribution per unit for the recent batch of shoes.</p> <p>Formula: Contribution per unit = price – VC or TR – TVC / output or Profit (TR – TC) / margin of safety (1)</p> <p>Method 1 \$18 750 / 500 = \$37.50 and \$25 000 / 500 = \$50 (1) \$50 – \$37.50 = \$12.50 (1)</p> <p>Method 2 (\$25 000 – \$18 750) = \$6250 (1) \$6250 / 500 = \$12.50 (1)</p> <p>Method 3 \$25 000 – \$23 750 = \$1250 (1) \$1250 / 100 = \$12.50 (1)</p> <p>Answer = \$12.50 (3)</p>	3

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Question	Answer			Marks
2(b)(i)	Exemplar and annotations			
	Marks			
	3 marks	Correct answer \$12.50 or 12.50 or 12.5	Working and \$ do not matter.	
	2 marks	Both of the following: <ul style="list-style-type: none"> • Formula • One correct stage of calculation OR An incorrect answer with one mistake allowing OFR for final stage.	To award two marks, there must be <ul style="list-style-type: none"> • Two ✓ and a ✗ OR <ul style="list-style-type: none"> • One ✓, one ✗ and one OFR 	
	1 mark	One of the following: <ul style="list-style-type: none"> • Correct formula • One correct stage of calculation. 	To award one mark, there must be: <ul style="list-style-type: none"> • One ✓ and two ✗ 	
	0 marks	No creditable content.	To award zero marks, there must be <ul style="list-style-type: none"> • One ✗ 	

Question	Answer	Marks								
2(b)(ii)	Explain <u>one</u> limitation for CS of using break-even analysis.	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
	0 marks No creditable response.		0 marks No creditable response.							
Indicative content										
AO1 Knowledge and understanding										
Knowledge of a limitation of using break-even analysis  , including:										
<ul style="list-style-type: none">• not all costs and revenue can be split• assumes all costs are a straight line (constant)• assumes price is constant• assumes all output is sold/does not take into account demand/demand fluctuates• assumes all costs are fixed or variable• needs to be calculated for each product• it ignores capacity• assumes that fixed costs do not change as output increases• assumes fixed costs can be allocated• assumes no external influences.										
<i>Do not accept that break-even analysis data may be inaccurate/wrong or time consuming. This is not a specific limitation of break-even analysis.</i>										

Question	Answer	Marks									
2(b)(ii)	<p>AO2 Application</p> <p>Explanation of a limitation if using break-even analysis , including:</p> <ul style="list-style-type: none"> not all costs and revenue can be split: and break-even assumes that all costs can be split. assumes all costs are a straight line (constant); whereas costs are likely to fall (on average) as output increases. assumes price is constant; whereas most businesses will need to reduce the price to sell more. assumes all output is sold; which is unlikely for most businesses – wastage, obsolescence etc. assumes all costs are fixed or variable; whereas there are semi-fixed / semi-variable costs. needs to be calculated for each product: only really works for a single product business. it ignores capacity; if the capacity is below the break-even point, then the business will never break even. assumes that fixed costs do not change as output increases; but as output increases most firms will need to source more fixed assets. assumes fixed costs can be allocated: which is not always possible for a multi-product business. <p>Context applied to a limitation of using break-even analysis  including:</p> <ul style="list-style-type: none"> Yazeem uses a range of colours and sizes – may be impossible to do break-even for each style of shoe/size/colour. Uses batch production – may be impossible to allocate the fixed costs to each style/size/colour. At least two employees (Yazeem and Abir) – how can their time be allocated to production/administration etc. Increase in low-priced shoes – may make it impossible to sell all the output. Use of Table 2.1. OFR from Q2(b)(i) <p>Accept all valid responses.</p> <p>Guidance in awarding marks</p> <table border="1"> <tr> <td>Knowledge & understanding</td><td>Knowledge of a limitation of using break-even analysis</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of a limitation of using break-even analysis</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Context linked to a limitation of using break-even analysis</td><td>1 mark</td></tr> </table>	Knowledge & understanding	Knowledge of a limitation of using break-even analysis	1 mark	Explanation	Explanation of a limitation of using break-even analysis	1 mark	Context	Context linked to a limitation of using break-even analysis	1 mark	
Knowledge & understanding	Knowledge of a limitation of using break-even analysis	1 mark									
Explanation	Explanation of a limitation of using break-even analysis	1 mark									
Context	Context linked to a limitation of using break-even analysis	1 mark									

Question	Answer			Marks
2(b)(ii)	Exemplar and annotations	Mark	Rationale	
	Break-even analysis assumes average costs do not change € but CS's average variable costs are likely to change £££ because CS is using batch production £££.	3	Knowledge of a limitation with explanation of why it is a limitation and application to the context of CS.	
	Abir has suggested using JIT £££, which is likely to mean the transportation costs £££ are not constant £.	3	A backwards answer. Starts with the context, then the explanation and lastly knowledge. An equally valid approach – as long as there is knowledge somewhere in the answer.	
	The price may not be the same for every pair of shoes £ which could mean that the Total Revenue is not constant £££.	2	The knowledge is fine. The explanation refers to a different point of knowledge, but it DOES explain this limitation, so it is valid. No context.	
	Break even analysis assumes all output produced is sold £.	1	Knowledge and no explanation or application to the context.	
	Break even analysis is a way of calculating the quantity needed to stop making a loss and start making a profit. This is useful to CS because they can calculate how many shoes need to be sold to cover all of the costs which were \$23 750 for the recent batch. ££££.	0	Although there is some relevant context, there is no knowledge of a limitation, so no marks can be awarded.	
	Break even analysis can be wrong. If the Manager miscalculates the break-even point, then any decision made on this will also be wrong. ££.	0	Being incorrect/wrong/inaccurate, is not a limitation of break-even analysis. It could be said about any calculation, so do not award.	


Question	Answer				Marks
2(c)	Analyse <u>two</u> disadvantages to CS of adopting a JIT approach to inventory management.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis <ul style="list-style-type: none"> Developed analysis that identifies connections between causes, impacts and/or consequences of two points. Developed analysis that identifies connections between causes, impacts and/or consequences of one point. 	
	1	1–2 marks <ul style="list-style-type: none"> Knowledge of two relevant points is used to answer the question. Knowledge of one relevant point is used to answer the question. 	1–2 marks <ul style="list-style-type: none"> Application of two relevant points to a business context. Application of one relevant point to a business context. 	1–2 marks Limited analysis <ul style="list-style-type: none"> Limited analysis that identifies connections between causes, impacts and/or consequences of two points. Limited analysis that identifies connections between causes, impacts and/or consequences of one point. 	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

Question	Answer	Marks
2(c)	<p>Indicative content</p> <p>AO1 Knowledge and understanding</p> <p>Knowledge of just in time inventory management  (max 1 mark if no knowledge of disadvantage(s)), including:</p> <ul style="list-style-type: none"> • Orders made from suppliers as needed. • Products produced as required by customers. • Limited or zero inventory required to be held. <p>Knowledge of disadvantages of just in time  (max 2 marks – annotate first disadvantage on left and second disadvantage on right), including:</p> <ul style="list-style-type: none"> • Risk of running out of stock. • Reliance on (new) suppliers – frequency of ordering/deliveries • Requires planning/time. • Limited scope for mass/batch production (little scope for economies of scale) – increased average cost • Finished product inventory cannot be used for promotional purposes. • Difficult to forecast/budget • Cost of infrastructure/capital • Might be difficult to respond to changing demand. <p>AO2 Application</p> <p>Context applied to a disadvantage of using JIT  (max 2 marks), including:</p> <ul style="list-style-type: none"> • Currently selling to mass market (professionals for work or smart dress). • Currently using batch production. • Abir has suggested a move towards niche, unique (job produced) shoes. • New local supplier suggested by Abir. • Shoes on display in the shop. • Raw material of leather must be in climate controlled storage. • No current relationship to suggested new supplier. • Range of sizes and colours. 	

Question	Answer	Marks									
2(c)	<p>AO3 Analysis</p> <p>Analysis of disadvantage(s) of using JIT, including:</p> <p><i>Limited analysis</i> [1] – candidate shows one link in the chain of analysis.</p> <p><i>Developed analysis</i> [2] candidate shows two or more links in the chain of analysis or a two-sided analysis.</p> <ul style="list-style-type: none"> • Risk of running out of stock; • may dissatisfy customers and lead to bad publicity – lower sales/profit. • May lead Yazeem to be idle increasing costs – lower profitability. • Reliance on suppliers; if the new local supplier is chosen then there is no current relationship, so shoe production may be delayed – decreased sales/profit. • Requires planning/time – If Yazeem/Abir are planning the logistics they may be less productive in producing shoes – lower sales/profit. • Limited scope for mass/batch production (little scope for economies of scale); increased costs – lower profitability. • Finished product inventory cannot be used for promotional purposes; customers may not come into a show shop without any shoes to try on – lower sales/profit. <p>Accept all valid responses.</p> <p>Exemplars and annotations</p> <table border="1"> <thead> <tr> <th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr> </thead> <tbody> <tr> <td>CS may run out of stock [1].</td><td>And since CS is selling to the mass market [1].</td><td>Customers may choose to go elsewhere, reducing CS's revenue [1] leading to less profit [1].</td></tr> <tr> <td>CS would need a new supplier [1]</td><td>Although Abir has already found one who is happy to deliver as required [1]</td><td>However, CS do not have a relationship with them and they might not deliver the materials on time [1] leading to customers being dissatisfied and going to a competitor. [1].</td></tr> </tbody> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	CS may run out of stock [1].	And since CS is selling to the mass market [1].	Customers may choose to go elsewhere, reducing CS's revenue [1] leading to less profit [1].	CS would need a new supplier [1]	Although Abir has already found one who is happy to deliver as required [1]	However, CS do not have a relationship with them and they might not deliver the materials on time [1] leading to customers being dissatisfied and going to a competitor. [1].	
AO1 Knowledge	AO2 Application	AO3 Analysis									
CS may run out of stock [1].	And since CS is selling to the mass market [1].	Customers may choose to go elsewhere, reducing CS's revenue [1] leading to less profit [1].									
CS would need a new supplier [1]	Although Abir has already found one who is happy to deliver as required [1]	However, CS do not have a relationship with them and they might not deliver the materials on time [1] leading to customers being dissatisfied and going to a competitor. [1].									

Question	Answer				Marks
2(d)	Evaluate the importance to CS of being a small business.				12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
	3				5–6 marks Developed evaluation in context <ul style="list-style-type: none"> A developed judgement/conclusion is made in the business context. Developed evaluative comments which balance some key arguments in the business context.
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation <ul style="list-style-type: none"> A developed judgement/conclusion is made. Developed evaluative comments which balance some key arguments.
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation <ul style="list-style-type: none"> A judgement/conclusion is made with limited supporting comment/evidence. An attempt is made to balance the arguments.
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Question	Answer	Marks
2(d)	<p>Indicative content AO1 Knowledge and understanding Knowledge of the features of being a small business (max 2 marks), including:</p> <ul style="list-style-type: none"> • Lifestyle • Independence • Opportunities • Creative freedom • Less reliance on other people • Expertise • Unique selling point (USP) • Personal satisfaction • Personal service for customers • Focus • Easy to plan • Easy to control/coordinate/lead • Potential for growth • Encourages innovation/intrapreneurship/entrepreneurship • May struggle obtaining finance / limited finance • Increased risk 	

Question	Answer	Marks
2(d)	<p>AO2 Application</p> <p>Context applied to features of being a small business  (max 2 marks), including:</p> <ul style="list-style-type: none"> • Yazeem is a highly skilled shoemaker • Sole trader • Abir is fully trained in making shoes • CS opened in 1975 • Currently targeting a mass market (professional men and women) • Currently produced using batch production • Shoes sold in own shop • Range of sizes and colours • Increase in low-priced mass market shoes – reduced CS sales and repairs • Abir feels it is time for Yazeem to retire • Abir would like to design and produce unique shoes for niche markets • New products would use price skimming • Use of Table 2.1 • Abir suggested adoption of JIT 	

Question	Answer	Marks
2(d)	<p>AO3 Analysis</p> <p><i>Limited analysis</i> AS – candidate shows one link in the chain of analysis.</p> <p><i>Developed analysis</i> AS+ – candidate shows two or more links in the chain of analysis.</p> <ul style="list-style-type: none"> • Lifestyle/personal satisfaction; Yazeem (and Abir) can choose their own hours which may increase their happiness – likely objective of Yazeem as a sole trader. • Independence; Yazeem does not have to ask anyone's opinion when making decisions which may suit him – increased happiness. • Opportunities; as a small business Yazeem and Abir can more easily take advantage of new trends (such as the niche markets) – increased sales/profit. • Creative freedom; both Yazeem and Abir are skilled and can create shoes which suit the market without having to have decisions agreed by others – increased sales/profit. • Less reliance on other people; less opportunities for wastage – lower costs, increased profitability. • Expertise; both Yazeem and Abir are highly skilled and can focus these on their small customer base – increased customer satisfaction. • Unique selling point (USP); having expert owners may allow CS to sell at a higher price – increased profitability. • Personal service for customers; customers feel like they are being well looked after (as they are dealing with the owners) – increased sales/profit. • Focus; As Yazeem is the owner he is more likely to be motivated – increased productivity. • Easy to plan; few employees mean that CS can adapt their business to meet current demand – increased sales/profit. • Easy to control/coordinate/lead; less customers mean that CS can adapt their business to meet current demand – increased sales/profit. <p>AO4 Evaluation</p> <p><i>Limited evaluation</i> E/AS – unsupported judgement and/or a weak attempt at evaluative comment</p> <p><i>Developed evaluation</i> E – supported judgement and/or reasonable evaluative comment</p> <p><i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context.</p> <ul style="list-style-type: none"> • A judgement the importance of being a small business. • Evaluation of the relative importance of different advantages/factors. • Elements that the evaluation/judgement might depend upon – Yazeem and Abir's personal objectives, whether Yazeem wants to retire (or not), the relative size of competitors in the market, the location of CS, changes in the shoe manufacture and retail market, changes in technology, price elasticity of demand for CS shoes. <p>Accept all valid responses.</p>	

Question	Answer			Marks
2(d)	Exemplars for awarding evaluation			
	L1 E (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	
	Being a small business is important for CS.	Being a small business is important for CS because it means Yazeem can retain control of his business.	Being a small business is important for CS because it means Yazeem can retain control of his sole trader business.	
	It is not important for CS to be a small business.	It is not important for CS to be a small business because the business should be allowed to grow to a more efficient size, where costs are lower.	It is not important for CS to be a small business because the business should be allowed to grow to a more efficient size, where costs are lower, so that it can compete with the mass market retailers who are selling cheaper shoes for people to wear to work or dress smartly.	
	The importance of CS being a small business depends on the objectives of Yazeem.	The importance of CS being a small business depends on the objectives of Yazeem. If his objective was to maximise profit, then it is more important for CS to grow.	The importance of CS being a small business depends on the objectives of Yazeem. If his objective was to give the business to Abir, then maybe she should decide how important the size of CS is.	
	In the short term being a small business is important.	In the short term being a small business is important, however in the long term Yazeem may need to grow to take advantage of economies of scale.	In the short term being a small business is important, however in the long term Yazeem may need to grow to take advantage of economies of scale to reduce the cost of the batch production process used by CS.	