

---

**BUSINESS**

**9609/21**

Paper 2 Data Response

**May/June 2018**

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 2018 series for most Cambridge IGCSE™, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

---

IGCSE™ is a registered trademark.

This document consists of **17** 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 descriptors 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.

Question	Answer	Marks																										
1(a)(i)	<p data-bbox="229 241 735 280"><b>Define the term ‘cash flow’ (line 10).</b></p> <table border="1" data-bbox="229 313 1406 515"> <thead> <tr> <th data-bbox="229 313 1158 365">Knowledge</th> <th data-bbox="1158 313 1406 365">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 365 1158 416">A correct definition</td> <td data-bbox="1158 365 1406 416">2</td> </tr> <tr> <td data-bbox="229 416 1158 468">A partial, vague or unfocused definition</td> <td data-bbox="1158 416 1406 468">1</td> </tr> <tr> <td data-bbox="229 468 1158 515">No creditable content</td> <td data-bbox="1158 468 1406 515">0</td> </tr> </tbody> </table> <p data-bbox="229 548 344 582"><b>Content</b></p> <p data-bbox="229 582 1019 616">The transfer/movement of money <b>in</b> and <b>out</b> of the business</p> <table border="1" data-bbox="229 649 1406 1086"> <thead> <tr> <th data-bbox="229 649 751 701">Exemplar</th> <th data-bbox="751 649 1161 701">Rationale</th> <th data-bbox="1161 649 1406 701">Mark</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 701 751 784">The transfer/movement of money <b>in</b> and <b>out</b> of the business</td> <td data-bbox="751 701 1161 784">All areas covered</td> <td data-bbox="1161 701 1406 784">2</td> </tr> <tr> <td data-bbox="229 784 751 866">The transfer/receiving of money <b>in</b> of the business</td> <td data-bbox="751 784 1161 866">Only one direction covered – defining cash <b>inflow</b></td> <td data-bbox="1161 784 1406 866">1</td> </tr> <tr> <td data-bbox="229 866 751 949">The transfer/spending of money within/out of a business</td> <td data-bbox="751 866 1161 949">Only one direction covered – defining cash <b>outflow</b></td> <td data-bbox="1161 866 1406 949">1</td> </tr> <tr> <td data-bbox="229 949 751 1032">The movement of money/cash within a business</td> <td data-bbox="751 949 1161 1032">No reference to direction (in and out)</td> <td data-bbox="1161 949 1406 1032">1</td> </tr> <tr> <td data-bbox="229 1032 751 1086">The money made from selling goods</td> <td data-bbox="751 1032 1161 1086">No creditable content</td> <td data-bbox="1161 1032 1406 1086">0</td> </tr> </tbody> </table>	Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Rationale	Mark	The transfer/movement of money <b>in</b> and <b>out</b> of the business	All areas covered	2	The transfer/receiving of money <b>in</b> of the business	Only one direction covered – defining cash <b>inflow</b>	1	The transfer/spending of money within/out of a business	Only one direction covered – defining cash <b>outflow</b>	1	The movement of money/cash within a business	No reference to direction (in and out)	1	The money made from selling goods	No creditable content	0	2
Knowledge	Marks																											
A correct definition	2																											
A partial, vague or unfocused definition	1																											
No creditable content	0																											
Exemplar	Rationale	Mark																										
The transfer/movement of money <b>in</b> and <b>out</b> of the business	All areas covered	2																										
The transfer/receiving of money <b>in</b> of the business	Only one direction covered – defining cash <b>inflow</b>	1																										
The transfer/spending of money within/out of a business	Only one direction covered – defining cash <b>outflow</b>	1																										
The movement of money/cash within a business	No reference to direction (in and out)	1																										
The money made from selling goods	No creditable content	0																										

Question	Answer	Marks																														
1(a)(ii)	<p data-bbox="229 241 932 280"><b>Briefly explain the term ‘product portfolio’ (line 2).</b></p> <p data-bbox="229 315 834 349">Award one mark for each point of explanation:</p> <table border="1" data-bbox="236 383 1401 616"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>Example or some other way of showing good understanding</td> <td>1</td> </tr> <tr> <td>B</td> <td>Sold by a business</td> <td>1</td> </tr> <tr> <td>A</td> <td>Range/catalogue of products/services</td> <td>1</td> </tr> </tbody> </table> <p data-bbox="229 651 344 680"><b>Content</b></p> <p data-bbox="229 685 1302 786">A product portfolio is the range of goods and services offered by a business. The portfolio of products that business sells can be analysed using the product life cycle.</p> <table border="1" data-bbox="229 819 1401 1319"> <thead> <tr> <th>Exemplar</th> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>The <b>range</b> of goods and services sold by a <b>business</b> which can be used to <b>analyse the best-selling products</b></td> <td>All three elements met</td> <td>3</td> </tr> <tr> <td>The variety of products the company has to offer for the people</td> <td>No C mark</td> <td>2</td> </tr> <tr> <td>The amount of different products a business sells</td> <td>Amount is an oblique reference to range</td> <td>2</td> </tr> <tr> <td>What the company uses to keep track of all of its products</td> <td>Bod, inferring ‘sold’ by a business</td> <td>1</td> </tr> <tr> <td>The data of a product including price, opinion, etc.</td> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table>		Knowledge	Marks	C	Example or some other way of showing good understanding	1	B	Sold by a business	1	A	Range/catalogue of products/services	1	Exemplar	Rationale	Marks	The <b>range</b> of goods and services sold by a <b>business</b> which can be used to <b>analyse the best-selling products</b>	All three elements met	3	The variety of products the company has to offer for the people	No C mark	2	The amount of different products a business sells	Amount is an oblique reference to range	2	What the company uses to keep track of all of its products	Bod, inferring ‘sold’ by a business	1	The data of a product including price, opinion, etc.	No creditable content	0	<b>3</b>
	Knowledge	Marks																														
C	Example or some other way of showing good understanding	1																														
B	Sold by a business	1																														
A	Range/catalogue of products/services	1																														
Exemplar	Rationale	Marks																														
The <b>range</b> of goods and services sold by a <b>business</b> which can be used to <b>analyse the best-selling products</b>	All three elements met	3																														
The variety of products the company has to offer for the people	No C mark	2																														
The amount of different products a business sells	Amount is an oblique reference to range	2																														
What the company uses to keep track of all of its products	Bod, inferring ‘sold’ by a business	1																														
The data of a product including price, opinion, etc.	No creditable content	0																														

Question	Answer	Marks																																	
1(b)(i)	<p><b>Using Table 1 and any other relevant data, calculate the price elasticity of demand for bottled water when the price was reduced.</b></p> <table border="1"> <thead> <tr> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>Correct answer with or without correct working (minus sign not required)</td> <td>4</td> </tr> <tr> <td>Correct calculation of % change in QD <b>AND</b> % change in P</td> <td>3</td> </tr> <tr> <td>Formula <b>AND</b> calculation of both actual changes <b>OR</b> correct calculation of % change in QD <b>OR</b> % change in P</td> <td>2</td> </tr> <tr> <td>Formulae <b>OR</b> correct calculation of both actual changes</td> <td>1</td> </tr> <tr> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p><b>Content</b></p> <p>Formula: <math display="block">\frac{\% \text{ change in QD}}{\% \text{ change in P}}</math></p> $\text{QD} = \frac{40000 - 20000}{20000} = \frac{20000}{20000} \times 100 = 100\%$ $\text{P} = \frac{\$0.63 - 20000}{\$0.90} = \frac{\$0.27}{\$0.90} \times 100 = -30\%$ $\frac{100\%}{-30\%} = -3.33$ <p><b>Answer = -3.33</b></p> <p><b>Common incorrect answers</b></p> <table border="1"> <thead> <tr> <th>Answer</th> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>(-)-3.33</td> <td>Correct final answer, no working needed</td> <td>4</td> </tr> <tr> <td>3</td> <td>Correct answer, ignore minus, no recurring needed</td> <td>4</td> </tr> <tr> <td>100 and 30 and wrong final answer (0.3)</td> <td>% change P over % change QD (wrong way round)</td> <td>3</td> </tr> <tr> <td>Formula and 0.27 and 20 000</td> <td>Formula and correct calculation of both actual figures</td> <td>2</td> </tr> <tr> <td>0.27 and 20 000</td> <td>Correct calculation of both actual figures</td> <td>1</td> </tr> <tr> <td>0.9 - 0.63 = 0.27</td> <td>Calculation of only 1 actual figure</td> <td>0</td> </tr> </tbody> </table>	Rationale	Marks	Correct answer with or without correct working (minus sign not required)	4	Correct calculation of % change in QD <b>AND</b> % change in P	3	Formula <b>AND</b> calculation of both actual changes <b>OR</b> correct calculation of % change in QD <b>OR</b> % change in P	2	Formulae <b>OR</b> correct calculation of both actual changes	1	No creditable content	0	Answer	Rationale	Marks	(-)-3.33	Correct final answer, no working needed	4	3	Correct answer, ignore minus, no recurring needed	4	100 and 30 and wrong final answer (0.3)	% change P over % change QD (wrong way round)	3	Formula and 0.27 and 20 000	Formula and correct calculation of both actual figures	2	0.27 and 20 000	Correct calculation of both actual figures	1	0.9 - 0.63 = 0.27	Calculation of only 1 actual figure	0	4
Rationale	Marks																																		
Correct answer with or without correct working (minus sign not required)	4																																		
Correct calculation of % change in QD <b>AND</b> % change in P	3																																		
Formula <b>AND</b> calculation of both actual changes <b>OR</b> correct calculation of % change in QD <b>OR</b> % change in P	2																																		
Formulae <b>OR</b> correct calculation of both actual changes	1																																		
No creditable content	0																																		
Answer	Rationale	Marks																																	
(-)-3.33	Correct final answer, no working needed	4																																	
3	Correct answer, ignore minus, no recurring needed	4																																	
100 and 30 and wrong final answer (0.3)	% change P over % change QD (wrong way round)	3																																	
Formula and 0.27 and 20 000	Formula and correct calculation of both actual figures	2																																	
0.27 and 20 000	Correct calculation of both actual figures	1																																	
0.9 - 0.63 = 0.27	Calculation of only 1 actual figure	0																																	

Question	Answer		Marks												
1(b)(ii)	<b>Explain how your answer to 1(b)(i) could be used by CS.</b>		<b>2</b>												
<table border="1"> <thead> <tr> <th data-bbox="229 315 416 365">Level</th> <th data-bbox="416 315 1158 365">Knowledge and Application</th> <th data-bbox="1158 315 1406 365">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 365 416 414">2 (APP)</td> <td data-bbox="416 365 1158 414">Explanation of a use of the answer to <b>1(b)(i)</b> in context</td> <td data-bbox="1158 365 1406 414">2</td> </tr> <tr> <td data-bbox="229 414 416 463">1 (K)</td> <td data-bbox="416 414 1158 463">Identification of a use of PED</td> <td data-bbox="1158 414 1406 463">1</td> </tr> <tr> <td data-bbox="229 463 416 517">0</td> <td data-bbox="416 463 1158 517">No creditable content</td> <td data-bbox="1158 463 1406 517">0</td> </tr> </tbody> </table>				Level	Knowledge and Application	Marks	2 (APP)	Explanation of a use of the answer to <b>1(b)(i)</b> in context	2	1 (K)	Identification of a use of PED	1	0	No creditable content	0
Level	Knowledge and Application	Marks													
2 (APP)	Explanation of a use of the answer to <b>1(b)(i)</b> in context	2													
1 (K)	Identification of a use of PED	1													
0	No creditable content	0													
<i>Note: Correct use of an incorrect answer to 1(b)(i) should be fully rewarded (own figure rule – OFR)</i>															
<p><b>Content</b></p> <ul style="list-style-type: none"> <li>• PED is elastic so VC should gain more revenue from the sales discount</li> <li>• VC should use more sales discount promotions because it shows an elastic response</li> </ul>															
ARA and OFR															
<table border="1"> <thead> <tr> <th data-bbox="229 891 595 940">Answer</th> <th data-bbox="595 891 1406 940">How it might be used</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 940 595 1025">0 to (-)1 – Inelastic</td> <td data-bbox="595 940 1406 1025">The sales discount brought in less revenue but increased sales</td> </tr> <tr> <td data-bbox="229 1025 595 1111">(-)1 – Unit elasticity</td> <td data-bbox="595 1025 1406 1111">The sales discount has not changed revenue but increased sales</td> </tr> <tr> <td data-bbox="229 1111 595 1189">(-)1 plus (elastic)</td> <td data-bbox="595 1111 1406 1189">The sales discount brought in more revenue and increased sales</td> </tr> </tbody> </table>			Answer	How it might be used	0 to (-)1 – Inelastic	The sales discount brought in less revenue but increased sales	(-)1 – Unit elasticity	The sales discount has not changed revenue but increased sales	(-)1 plus (elastic)	The sales discount brought in more revenue and increased sales					
Answer	How it might be used														
0 to (-)1 – Inelastic	The sales discount brought in less revenue but increased sales														
(-)1 – Unit elasticity	The sales discount has not changed revenue but increased sales														
(-)1 plus (elastic)	The sales discount brought in more revenue and increased sales														

Question	Answer				Marks	
1(c)	<b>Using Table 2 and any other data, recommend which supermarket CS should close. Justify your recommendation.</b>				<b>11</b>	
<b>Knowledge and Application (4 marks)</b>		<b>Marks</b>	<b>Analysis and Evaluation (7 marks)</b>			<b>Marks</b>
			A justified recommendation based on a <b>developed</b> argument on the closure of <b>both</b> supermarkets			7
			A developed recommendation based on a <b>developed</b> argument on the closure of <b>both</b> supermarkets			6
Shows understanding of the factors affecting closure of supermarket A <b>and</b> supermarket B		4	A basic recommendation/ judgement based on a <b>developed</b> argument on the closure of <b>both</b> supermarkets			5
Shows understanding of the factors affecting closure of supermarket A <b>or</b> supermarket B		3	Developed argument based on the closure of supermarket A <b>and</b> supermarket B			4
Shows knowledge of two or more reasons for business closure		2	Developed argument based on the closure of supermarket A <b>or</b> supermarket B			3
Shows knowledge of one reason for business closure		1	Limited analysis of supermarket A <b>and</b> supermarket B			2
			Limited analysis of supermarket A <b>or</b> supermarket B			1
No creditable content				0		

Question	Answer		Marks														
1(c)	<p><b>Content:</b></p> <p style="text-align: center;"><b>Supermarket A</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Pro</th> <th style="width: 50%; text-align: center;">Con</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• Higher Revenue</li> <li>• Higher Population – bigger customer base</li> <li>• Higher unemployment – lower employment odds?</li> <li>• Trend is that profit is increasing – will this continue?</li> <li>• Has it been given enough time to establish?</li> </ul> </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• Higher rent</li> <li>• Higher unemployment – lower level of average income?</li> <li>• Making a loss</li> <li>• Less established so easier to close?</li> </ul> </td> </tr> </tbody> </table> <p style="text-align: center;"><b>Supermarket B</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Pro</th> <th style="width: 50%; text-align: center;">Con</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• Lower rent</li> <li>• Lower unemployment – higher level of average income?</li> <li>• Making a profit</li> <li>• More established – brand recognition in the area</li> </ul> </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• Lower revenue</li> <li>• Lower population – smaller customer base</li> <li>• Lower unemployment – higher level of average income?</li> <li>• Trend is that profit is decreasing – will this continue?</li> <li>• Been open longer – is it possible to ‘turn it around’.</li> </ul> </td> </tr> </tbody> </table>		Pro	Con	<ul style="list-style-type: none"> <li>• Higher Revenue</li> <li>• Higher Population – bigger customer base</li> <li>• Higher unemployment – lower employment odds?</li> <li>• Trend is that profit is increasing – will this continue?</li> <li>• Has it been given enough time to establish?</li> </ul>	<ul style="list-style-type: none"> <li>• Higher rent</li> <li>• Higher unemployment – lower level of average income?</li> <li>• Making a loss</li> <li>• Less established so easier to close?</li> </ul>	Pro	Con	<ul style="list-style-type: none"> <li>• Lower rent</li> <li>• Lower unemployment – higher level of average income?</li> <li>• Making a profit</li> <li>• More established – brand recognition in the area</li> </ul>	<ul style="list-style-type: none"> <li>• Lower revenue</li> <li>• Lower population – smaller customer base</li> <li>• Lower unemployment – higher level of average income?</li> <li>• Trend is that profit is decreasing – will this continue?</li> <li>• Been open longer – is it possible to ‘turn it around’.</li> </ul>	<b>11</b>						
Pro	Con																
<ul style="list-style-type: none"> <li>• Higher Revenue</li> <li>• Higher Population – bigger customer base</li> <li>• Higher unemployment – lower employment odds?</li> <li>• Trend is that profit is increasing – will this continue?</li> <li>• Has it been given enough time to establish?</li> </ul>	<ul style="list-style-type: none"> <li>• Higher rent</li> <li>• Higher unemployment – lower level of average income?</li> <li>• Making a loss</li> <li>• Less established so easier to close?</li> </ul>																
Pro	Con																
<ul style="list-style-type: none"> <li>• Lower rent</li> <li>• Lower unemployment – higher level of average income?</li> <li>• Making a profit</li> <li>• More established – brand recognition in the area</li> </ul>	<ul style="list-style-type: none"> <li>• Lower revenue</li> <li>• Lower population – smaller customer base</li> <li>• Lower unemployment – higher level of average income?</li> <li>• Trend is that profit is decreasing – will this continue?</li> <li>• Been open longer – is it possible to ‘turn it around’.</li> </ul>																
An example of how an answer could develop and how it should be annotated.																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%; text-align: center;">K</th> <th style="width: 20%; text-align: center;">APP</th> <th style="width: 20%; text-align: center;">AN</th> <th style="width: 20%; text-align: center;">ANAN</th> <th style="width: 30%; text-align: center;">EVAL</th> </tr> </thead> <tbody> <tr> <td rowspan="2" style="vertical-align: middle;">Low rent is an important indicator (K)</td> <td style="vertical-align: top;">Supermarket A's rent is \$150 000 higher than Supermarket B (APP)</td> <td style="vertical-align: top;">This could lead to worse cash flow in Supermarket A (AN – LHS)</td> <td style="vertical-align: top;">However the larger local population means there might be more long term potential to increase revenue and balance out cash flow in the future (DEV – LHS)</td> <td style="vertical-align: top;">CS should choose SM A (<b>Basic recommendation</b>)  because it has more potential to increase revenue in the longer term (<b>Developed recommendation</b>)</td> </tr> <tr> <td style="vertical-align: top;">Supermarket A's rent of \$400 000 is \$150 000 higher than Supermarket B's rent of \$250 000 (APP APP)</td> <td style="vertical-align: top;">The lower local population means that there is less chance of increasing revenue (AN – RHS)</td> <td style="vertical-align: top;">Which means that it is never likely to be as profitable as Supermarket A (DEV – RHS)</td> <td style="vertical-align: top;">however it depends on whether SM B's profit continue to fall (<b>Justified recommendation</b>)</td> </tr> </tbody> </table>				K	APP	AN	ANAN	EVAL	Low rent is an important indicator (K)	Supermarket A's rent is \$150 000 higher than Supermarket B (APP)	This could lead to worse cash flow in Supermarket A (AN – LHS)	However the larger local population means there might be more long term potential to increase revenue and balance out cash flow in the future (DEV – LHS)	CS should choose SM A ( <b>Basic recommendation</b> )  because it has more potential to increase revenue in the longer term ( <b>Developed recommendation</b> )	Supermarket A's rent of \$400 000 is \$150 000 higher than Supermarket B's rent of \$250 000 (APP APP)	The lower local population means that there is less chance of increasing revenue (AN – RHS)	Which means that it is never likely to be as profitable as Supermarket A (DEV – RHS)	however it depends on whether SM B's profit continue to fall ( <b>Justified recommendation</b> )
K	APP	AN	ANAN	EVAL													
Low rent is an important indicator (K)	Supermarket A's rent is \$150 000 higher than Supermarket B (APP)	This could lead to worse cash flow in Supermarket A (AN – LHS)	However the larger local population means there might be more long term potential to increase revenue and balance out cash flow in the future (DEV – LHS)	CS should choose SM A ( <b>Basic recommendation</b> )  because it has more potential to increase revenue in the longer term ( <b>Developed recommendation</b> )													
	Supermarket A's rent of \$400 000 is \$150 000 higher than Supermarket B's rent of \$250 000 (APP APP)	The lower local population means that there is less chance of increasing revenue (AN – RHS)	Which means that it is never likely to be as profitable as Supermarket A (DEV – RHS)	however it depends on whether SM B's profit continue to fall ( <b>Justified recommendation</b> )													



Question	Answer				Marks
1(d)	<b>Analyse how the closure of the supermarket that you have recommended in your answer to 1(c) could affect two stakeholders of SC.</b>				<b>8</b>
	<b>Level</b>	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Analysis (4 marks)</b>	<b>Marks</b>
	2b	Shows understanding of the effect of the closure on <b>two</b> stakeholders of CS	4	Developed analysis of the closure of the supermarket on <b>two</b> stakeholders of CS	4
	2a	Shows understanding of the effect of the closure on <b>one</b> stakeholder of CS	3	Developed analysis of the effect of the closure of the supermarket on <b>one</b> stakeholder of CS	3
	1b	Shows knowledge of and gives one or more stakeholder examples OR two examples of stakeholders	2	Limited analysis of the effect of closure on <b>two</b> stakeholders	2
	1a	Shows knowledge of stakeholders (definition) OR one example of a stakeholder	1	Limited analysis of the effect of closure on <b>one</b> stakeholder	1
	0	No creditable content			0
	<p><b>Content</b></p> <p><b>Customers</b> – May have to go to another supermarket, or travel further to use CS  <b>Employees</b> – those made redundant in the closed supermarket may be unemployed and have lower incomes, or may be transferred to another supermarket. Those who are not made redundant (in other supermarket) may be more motivated (if they feel lucky to be still working) less motivated (if they worry they are next).  <b>Owners</b> – may have less profit as there are high redundancy costs. May eventually have higher profits as the business is more efficient.  <b>Managers</b> – may lose their job or be transferred to another supermarket <b>Banks/lenders</b> – may worry about the future of CS and not lend for any future ventures  <b>Local community</b> – increased unemployment in area of closed supermarket, lower average income, less choice of supermarket  <b>Government</b> – increased unemployment, lower income tax revenue.</p> <p>ARA</p>				

Question	Answer			Marks
1(d)	<b>Examples of stakeholders</b>	<b>Examples of application/ context</b>	<b>Examples of possible analysis</b>	<b>8</b>
	Customers	Local customers will have to travel further to get to a supermarket	May choose an alternative supermarket → which leads to increased travel time	
	Employees	Because of high unemployment in the area	May struggle to find another job → Lead to a lower quality of life → affect the ability to look after their family/pay rent → lead to less emphasis on children's education	
	Local government/ council	Supermarkets employ a lot of staff	Less tax paid → lowers the overall amount available for community projects → increases taxes or reduction in services → affects the community negatively	
	Suppliers	Of bottled water	Reduction in demand → increase in wastage → reduction in employees needed → increased unemployment in the local area	
	<b>Stating 'employees of supermarket A' is not enough for app – has to be linked to e.g. high levels of unemployment, etc.</b>			

Question	Answer	Marks																										
2(a)(i)	<p data-bbox="229 241 847 280"><b>Define the term ‘retained earnings’ (line 15).</b></p> <table border="1" data-bbox="229 313 1406 515"> <thead> <tr> <th data-bbox="229 313 1158 365">Knowledge</th> <th data-bbox="1158 313 1406 365">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 365 1158 416">A correct definition</td> <td data-bbox="1158 365 1406 416">2</td> </tr> <tr> <td data-bbox="229 416 1158 468">A partial, vague or unfocused definition</td> <td data-bbox="1158 416 1406 468">1</td> </tr> <tr> <td data-bbox="229 468 1158 515">No creditable content</td> <td data-bbox="1158 468 1406 515">0</td> </tr> </tbody> </table> <p data-bbox="229 548 347 582"><b>Content</b></p> <p data-bbox="229 582 638 616">A correct definition will include:</p> <ul data-bbox="284 616 981 689" style="list-style-type: none"> <li>• An idea that money has been kept by a business</li> <li>• An idea that it is profit</li> </ul> <table border="1" data-bbox="229 719 1406 1155"> <thead> <tr> <th data-bbox="229 719 754 770">Exemplar</th> <th data-bbox="754 719 1158 770">Rationale</th> <th data-bbox="1158 719 1406 770">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 770 754 857">The money remaining in the business after it subtracts its expenses</td> <td data-bbox="754 770 1158 857">Both elements</td> <td data-bbox="1158 770 1406 857">2</td> </tr> <tr> <td data-bbox="229 857 754 945">The money kept by a business</td> <td data-bbox="754 857 1158 945">No idea of profit/earnings element</td> <td data-bbox="1158 857 1406 945">1</td> </tr> <tr> <td data-bbox="229 945 754 1032">Earnings set aside for a later day</td> <td data-bbox="754 945 1158 1032">Idea of keeping within the business (earnings taut)</td> <td data-bbox="1158 945 1406 1032">1</td> </tr> <tr> <td data-bbox="229 1032 754 1084">The profit made by the business</td> <td data-bbox="754 1032 1158 1084">An idea of profit</td> <td data-bbox="1158 1032 1406 1084">1</td> </tr> <tr> <td data-bbox="229 1084 754 1155">The money that the business owner saved</td> <td data-bbox="754 1084 1158 1155">Too vague</td> <td data-bbox="1158 1084 1406 1155">0</td> </tr> </tbody> </table>	Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Rationale	Marks	The money remaining in the business after it subtracts its expenses	Both elements	2	The money kept by a business	No idea of profit/earnings element	1	Earnings set aside for a later day	Idea of keeping within the business (earnings taut)	1	The profit made by the business	An idea of profit	1	The money that the business owner saved	Too vague	0	2
Knowledge	Marks																											
A correct definition	2																											
A partial, vague or unfocused definition	1																											
No creditable content	0																											
Exemplar	Rationale	Marks																										
The money remaining in the business after it subtracts its expenses	Both elements	2																										
The money kept by a business	No idea of profit/earnings element	1																										
Earnings set aside for a later day	Idea of keeping within the business (earnings taut)	1																										
The profit made by the business	An idea of profit	1																										
The money that the business owner saved	Too vague	0																										

Question	Answer	Marks																																				
2(a)(ii)	<p data-bbox="229 248 1015 282"><b>Briefly explain the term ‘public limited company’ (line 1)</b></p> <p data-bbox="229 315 834 349">Award one mark for each point of explanation:</p> <table border="1" data-bbox="229 383 1406 618"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td><b>C</b></td> <td>Example or some other way of showing good understanding e.g. Published accounts, LL, etc.</td> <td>1</td> </tr> <tr> <td><b>B</b></td> <td>To the general public/through stock exchange/</td> <td>1</td> </tr> <tr> <td><b>A</b></td> <td>Has shareholders/can sell shares</td> <td>1</td> </tr> </tbody> </table> <p data-bbox="229 651 344 685"><b>Content</b></p> <p data-bbox="229 685 1374 752">A public limited company has shareholders who can purchase shares through the stock exchange. It also has limited liability, continuity and a separate legal identify.</p> <table border="1" data-bbox="229 786 1406 1352"> <thead> <tr> <th>Exemplar</th> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>Owned by shareholders with limited liability and bought through the stock exchange</td> <td>All points met</td> <td>3</td> </tr> <tr> <td>A PLC is a large company that sells shares to the public.</td> <td>A and B</td> <td>2</td> </tr> <tr> <td>Has shareholders and has limited liability</td> <td>A and C</td> <td>2</td> </tr> <tr> <td>Is owned by the government, has shareholders and had limited liability</td> <td>A and C, ignore the incorrect govt. reference</td> <td>2</td> </tr> <tr> <td>Has shareholders</td> <td>A only</td> <td>1</td> </tr> <tr> <td>Owned by the government</td> <td>Wrong</td> <td>0</td> </tr> <tr> <td>Is a large company</td> <td>Too vague</td> <td>0</td> </tr> </tbody> </table>		Knowledge	Marks	<b>C</b>	Example or some other way of showing good understanding e.g. Published accounts, LL, etc.	1	<b>B</b>	To the general public/through stock exchange/	1	<b>A</b>	Has shareholders/can sell shares	1	Exemplar	Rationale	Marks	Owned by shareholders with limited liability and bought through the stock exchange	All points met	3	A PLC is a large company that sells shares to the public.	A and B	2	Has shareholders and has limited liability	A and C	2	Is owned by the government, has shareholders and had limited liability	A and C, ignore the incorrect govt. reference	2	Has shareholders	A only	1	Owned by the government	Wrong	0	Is a large company	Too vague	0	<b>3</b>
	Knowledge	Marks																																				
<b>C</b>	Example or some other way of showing good understanding e.g. Published accounts, LL, etc.	1																																				
<b>B</b>	To the general public/through stock exchange/	1																																				
<b>A</b>	Has shareholders/can sell shares	1																																				
Exemplar	Rationale	Marks																																				
Owned by shareholders with limited liability and bought through the stock exchange	All points met	3																																				
A PLC is a large company that sells shares to the public.	A and B	2																																				
Has shareholders and has limited liability	A and C	2																																				
Is owned by the government, has shareholders and had limited liability	A and C, ignore the incorrect govt. reference	2																																				
Has shareholders	A only	1																																				
Owned by the government	Wrong	0																																				
Is a large company	Too vague	0																																				

Question	Answer	Marks																																			
2(b)(i)	<p data-bbox="229 241 671 280"><b>Calculate VC's working capital.</b></p> <table border="1" data-bbox="229 315 1406 517"> <thead> <tr> <th data-bbox="229 315 1158 365">Rationale</th> <th data-bbox="1158 315 1406 365">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 365 1158 414">Correct answer with or without working</td> <td data-bbox="1158 365 1406 414">2</td> </tr> <tr> <td data-bbox="229 414 1158 463">Correct use of figures/formula</td> <td data-bbox="1158 414 1406 463">1</td> </tr> <tr> <td data-bbox="229 463 1158 517">No creditable content</td> <td data-bbox="1158 463 1406 517">0</td> </tr> </tbody> </table> <p data-bbox="229 551 344 584"><b>Content</b></p> <p data-bbox="229 584 671 618">Current assets – current liabilities</p> <p data-bbox="229 651 472 685"><math>\\$5\text{m} - \\$4\text{m} = \\$1\text{m}</math></p> <p data-bbox="229 719 472 752">Common answers</p> <table border="1" data-bbox="229 786 1406 1238"> <thead> <tr> <th data-bbox="229 786 703 835">Answer</th> <th data-bbox="703 786 1158 835">Rationale</th> <th data-bbox="1158 786 1406 835">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 835 703 884"><math>\\$1\text{m}</math> (with or without \$)</td> <td data-bbox="703 835 1158 884">Correct answer</td> <td data-bbox="1158 835 1406 884">2</td> </tr> <tr> <td data-bbox="229 884 703 934"><math>\\$5\text{m} - \\$4\text{m} = \\$1\text{m}</math></td> <td data-bbox="703 884 1158 934">Correct answer</td> <td data-bbox="1158 884 1406 934">2</td> </tr> <tr> <td data-bbox="229 934 703 983"><math>5 - 4 = 1</math></td> <td data-bbox="703 934 1158 983">No need for \$ or M</td> <td data-bbox="1158 934 1406 983">2</td> </tr> <tr> <td data-bbox="229 983 703 1032"><math>\\$5\text{m} - \\$4\text{m} = \\$6\text{m}</math></td> <td data-bbox="703 983 1158 1032">Correct use but wrong answer</td> <td data-bbox="1158 983 1406 1032">1</td> </tr> <tr> <td data-bbox="229 1032 703 1081">Current assets – current liabilities</td> <td data-bbox="703 1032 1158 1081">Correct formula</td> <td data-bbox="1158 1032 1406 1081">1</td> </tr> <tr> <td data-bbox="229 1081 703 1131"><math>\\$5\text{m} + \\$4\text{m} = \\$6\text{M}</math></td> <td data-bbox="703 1081 1158 1131">Incorrect use of figures</td> <td data-bbox="1158 1081 1406 1131">0</td> </tr> <tr> <td data-bbox="229 1131 703 1180"><math>4/5 \times 100 = 0.1</math></td> <td data-bbox="703 1131 1158 1180">Incorrect formula</td> <td data-bbox="1158 1131 1406 1180">0</td> </tr> <tr> <td data-bbox="229 1180 703 1238"><math>\\$4\text{m} - \\$5\text{M} = -\\$1\text{M}</math></td> <td data-bbox="703 1180 1158 1238">Incorrect formula</td> <td data-bbox="1158 1180 1406 1238">0</td> </tr> </tbody> </table>	Rationale	Marks	Correct answer with or without working	2	Correct use of figures/formula	1	No creditable content	0	Answer	Rationale	Marks	$\$1\text{m}$ (with or without \$)	Correct answer	2	$\$5\text{m} - \$4\text{m} = \$1\text{m}$	Correct answer	2	$5 - 4 = 1$	No need for \$ or M	2	$\$5\text{m} - \$4\text{m} = \$6\text{m}$	Correct use but wrong answer	1	Current assets – current liabilities	Correct formula	1	$\$5\text{m} + \$4\text{m} = \$6\text{M}$	Incorrect use of figures	0	$4/5 \times 100 = 0.1$	Incorrect formula	0	$\$4\text{m} - \$5\text{M} = -\$1\text{M}$	Incorrect formula	0	2
Rationale	Marks																																				
Correct answer with or without working	2																																				
Correct use of figures/formula	1																																				
No creditable content	0																																				
Answer	Rationale	Marks																																			
$\$1\text{m}$ (with or without \$)	Correct answer	2																																			
$\$5\text{m} - \$4\text{m} = \$1\text{m}$	Correct answer	2																																			
$5 - 4 = 1$	No need for \$ or M	2																																			
$\$5\text{m} - \$4\text{m} = \$6\text{m}$	Correct use but wrong answer	1																																			
Current assets – current liabilities	Correct formula	1																																			
$\$5\text{m} + \$4\text{m} = \$6\text{M}$	Incorrect use of figures	0																																			
$4/5 \times 100 = 0.1$	Incorrect formula	0																																			
$\$4\text{m} - \$5\text{M} = -\$1\text{M}$	Incorrect formula	0																																			

Question	Answer		Marks
2(b)(ii)	<b>Explain two ways in which VC could improve its working capital.</b>		<b>4</b>
	<b>Level</b>	<b>Knowledge and Application</b>	<b>Marks</b>
	2b (APP + APP)	Explanation of two ways to improve working capital in context	4
	2a (APP)	Explanation of one way to improve working capital in context	3
	1b (KK)	Identification of two ways to improve working capital	1
	1a (K)	Identification of one way to improve working capital	1
	0	No creditable content	0
	<b>Content</b>		
	<b>Has to refer specifically to a current asset or a current liability (less than 12 months)</b>		
	Increase current assets:		
	<ul style="list-style-type: none"> <li>• Increase cash/money – retain more profit, sell fixed assets, sell shares, negotiate discounts, find cheaper suppliers etc.</li> <li>• Increase debtors – only if they are new sales that would not have been cash sales</li> <li>• Increase inventory – again only if this does not have a detrimental effect on cash at the same time</li> </ul>		
	Decrease current liabilities:		
	<ul style="list-style-type: none"> <li>• Replace short term debt (overdraft and creditors for example) with long term debt – will not improve WC if it is paying debt off with cash</li> </ul>		
	<b>Possible context (APP)</b>		
	<ul style="list-style-type: none"> <li>• Reduction of Current liabilities from \$4m</li> <li>• Increase in Current assets from \$5m</li> <li>• Increase their stock of veg/cans</li> <li>• Decrease their trade receivables (debtors) from customers/food retailers</li> <li>• Increase their trade payables (creditors) from suppliers of veg/cans</li> </ul>		

Question	Answer				Marks
2(c)	<b>Analyse two methods of selection VC could use when choosing a new manager for the factory.</b>				<b>8</b>
	<b>Level</b>	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Analysis (4 marks)</b>	<b>Marks</b>
	2b	Shows understanding of how VC could use two or more methods of selection	4	Developed analysis of two method of selection in context	4
	2a	Shows understanding of how VC could use one method of selection	3	Developed analysis of one method of selection in context	3
	1b	Shows knowledge of two or more methods of selection	2	Limited analysis of two or more methods of selection	2
	1a	Shows knowledge of one method of selection	1	Limited analysis of one method of selection	1
	0	No creditable content			0
	<b>Content</b>				
	<ul style="list-style-type: none"> <li>• CV/application forms – look for experience in the industry, advantages and disadvantages of using CVs. All on paper. Does not bring the candidate to life and show motivation or finance skills</li> <li>• Interviews – ask questions that shows knowledge and how the applicant would deal with situations e.g., employee relations</li> <li>• Tests – e.g., role play could be used as part of the selection process. This would have good advantages for VC – can see who has the best inventory management and finance skills</li> <li>• Trial period (probation) before formalizing any job offer. Advantages and disadvantages of this.</li> </ul>				
	ARA				
	<b>Examples of methods</b>	<b>Examples of application/context</b>	<b>Examples of possible analysis</b>		
	CV/application forms	Identify relevant experience of inventory management	Minimises the number of applicants to be interviewed to those who identify skills		
	Interviews	Ask questions relating to employee management	Allows for the selection of managers who can explain problems or situations		
	Tests	Work based tests of inventory management and finance skills	Can select manager with the best demonstrable skills which reduces mistakes		
	Trial period	Trial as factory manager	Ensures that the manager isn't exaggerating the truth and can do his job		

Question	Answer				Marks	
2(d)	<b>Evaluate the usefulness of the product life cycle to VC when making marketing decisions.</b>				<b>11</b>	
<b>Knowledge and Application (4 marks)</b>		<b>Marks</b>	<b>Analysis and Evaluation (7 marks)</b>			<b>Marks</b>
			A justified evaluation based on a developed argument of <b>one or more</b> uses of the Product Life Cycle in context			7
			A developed evaluation based on a developed argument of <b>one or more</b> uses of the Product Life Cycle in context			6
			A basic evaluation based on a developed argument of <b>one or more</b> uses of the Product Life Cycle in context			5
Shows knowledge of the product life cycle AND marketing decisions in context		4	Developed argument of two or more uses of the product life cycle in context			4
Shows knowledge of the product life cycle OR marketing decisions in context		3	Developed argument of one use of the product life cycle in context			3
Shows knowledge of the product life cycle AND marketing decisions		2	Limited analysis of two or more uses of the product life cycle			2
Shows knowledge of the product life cycle OR marketing decisions		1	Limited analysis of one use of the product life cycle			1
No creditable content				0		
<b>Note: Full marks can be gained from only ONE use of the product life cycle; two DEV's must still be awarded (pros and cons)</b>						



Question	Answer	Marks														
2(d)	<p><b>Content</b></p> <ul style="list-style-type: none"> <li>• Can identify the varieties which may require extension strategies (i.e. develop product)</li> <li>• Can identify varieties which should be discontinued (in decline)</li> <li>• Can identify where promotional spending should be – i.e. on varieties in growth stage</li> <li>• Can help to know which pricing strategies to use</li> <li>• Can help to know which distribution channels to use</li> <li>• Can help to introduce the new frozen veg into the market</li> <li>• Can help to manage a large portfolio of varieties/products</li> </ul> <p>An example of how an answer could develop and how it should be annotated.</p> <table border="1" data-bbox="264 696 1370 1337"> <thead> <tr> <th data-bbox="264 696 435 748">K</th> <th data-bbox="435 696 625 748">APP</th> <th data-bbox="625 696 836 748">AN</th> <th data-bbox="836 696 1027 748">ANAN</th> <th data-bbox="1027 696 1370 748">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="264 748 435 1039" rowspan="2">Product lifecycle is the stages from birth/invention to death/decline</td> <td data-bbox="435 748 625 1039">Could identify canned vegetables in their mature/decline phase</td> <td data-bbox="625 748 836 1039">Which could then be reformulated or rebranded to extend their life</td> <td data-bbox="836 748 1027 1039">Which could influence promotional activities and spending</td> <td data-bbox="1027 748 1370 1039">The product lifecycle is very important for VC <b>(Basic recommendation)</b> because it means they can manage their product lines and maximise revenue</td> </tr> <tr> <td data-bbox="435 1039 625 1337">Can manage a large portfolio of canned products</td> <td data-bbox="625 1039 836 1337">Which may result in a reduction in product duplication</td> <td data-bbox="836 1039 1027 1337">Which could minimise the product range and reduce inventory costs</td> <td data-bbox="1027 1039 1370 1337"><b>(Developed recommendation)</b> however it depends on the quality of the information gathered <b>(Justified recommendation)</b></td> </tr> </tbody> </table>	K	APP	AN	ANAN	EVAL	Product lifecycle is the stages from birth/invention to death/decline	Could identify canned vegetables in their mature/decline phase	Which could then be reformulated or rebranded to extend their life	Which could influence promotional activities and spending	The product lifecycle is very important for VC <b>(Basic recommendation)</b> because it means they can manage their product lines and maximise revenue	Can manage a large portfolio of canned products	Which may result in a reduction in product duplication	Which could minimise the product range and reduce inventory costs	<b>(Developed recommendation)</b> however it depends on the quality of the information gathered <b>(Justified recommendation)</b>	11
K	APP	AN	ANAN	EVAL												
Product lifecycle is the stages from birth/invention to death/decline	Could identify canned vegetables in their mature/decline phase	Which could then be reformulated or rebranded to extend their life	Which could influence promotional activities and spending	The product lifecycle is very important for VC <b>(Basic recommendation)</b> because it means they can manage their product lines and maximise revenue												
	Can manage a large portfolio of canned products	Which may result in a reduction in product duplication	Which could minimise the product range and reduce inventory costs	<b>(Developed recommendation)</b> however it depends on the quality of the information gathered <b>(Justified recommendation)</b>												