

# Cambridge International AS & A Level

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**BUSINESS****9609/22**

Paper 2 Business Concepts 2

**May/June 2024****MARK SCHEME**

Maximum Mark: 60

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Published

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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.

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

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.

**PUBLISHED****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.

**Annotations for RM Assessor**

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

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

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

Question	Answer		Marks							
1(a)(ii)	<p><b>Explain the term <i>sustainability</i>.</b></p> <table border="1" data-bbox="361 282 1888 747"> <thead> <tr> <th data-bbox="361 282 1125 377">AO1 Knowledge and understanding 1 mark</th><th data-bbox="1125 282 1888 377">AO2 Application 2 marks</th></tr> </thead> <tbody> <tr> <td data-bbox="361 377 1125 509"></td><td data-bbox="1125 377 1888 509"> <b>2 marks</b>            Developed application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td data-bbox="361 509 1125 657"> <b>1 mark</b>            Knowledge of <b>one</b> relevant point is used to answer the question.         </td><td data-bbox="1125 509 1888 657"> <b>1 mark</b>            Limited application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td data-bbox="361 657 1125 747"> <b>0 marks</b>            No creditable response.         </td><td data-bbox="1125 657 1888 747"> <b>0 marks</b>            No creditable response.         </td></tr> </tbody> </table>	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		<b>2 marks</b> Developed application of <b>one</b> relevant point to a business context.	<b>1 mark</b> Knowledge of <b>one</b> relevant point is used to answer the question.	<b>1 mark</b> Limited application of <b>one</b> relevant point to a business context.	<b>0 marks</b> No creditable response.	<b>0 marks</b> No creditable response.	<b>3</b>
AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks									
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	<p><b>Indicative content</b></p> <p><b>AO1 Knowledge and understanding</b>            Knowledge of sustainability  may include:</p> <ul style="list-style-type: none"> <li>• maintaining operations/production.</li> </ul> <p>Allow (but do not require) knowledge of sustainability from an environmental perspective, which may include:</p> <ul style="list-style-type: none"> <li>• environmental balance.</li> <li>• conserve natural resources.</li> </ul>									

Question	Answer	Marks									
1(a)(ii)	<p><b>AO2 Application</b></p> <p>Explanation of sustainability <small>(AO2)</small> may include:</p> <ul style="list-style-type: none"> <li>• maintaining operations/production: at the current level</li> <li>• the ability to maintain an environmental balance: now and in the future for our planet's natural environment</li> <li>• to conserve natural resources: to support the wellbeing of current and future generations</li> </ul> <p>Context applied to business of how to behave in a sustainable way <small>(AO2)</small>, including:</p> <ul style="list-style-type: none"> <li>• An example of a business behaving in a sustainable way</li> </ul> <p><i>Application can be made to PS or any other scenario/context/business/person. Allow application to environmental sustainability.</i></p> <p>Accept all valid responses.</p> <p><b>Guidance in awarding marks</b></p> <table border="1"> <tbody> <tr> <td data-bbox="332 727 759 801">Knowledge &amp; understanding</td><td data-bbox="759 727 1500 801">Knowledge of sustainability</td><td data-bbox="1500 727 1657 801">1 mark</td></tr> <tr> <td data-bbox="332 801 759 876">Explanation</td><td data-bbox="759 801 1500 876">Explanation of sustainability</td><td data-bbox="1500 801 1657 876">1 mark</td></tr> <tr> <td data-bbox="332 876 759 967">Context</td><td data-bbox="759 876 1500 967">Applied to a business context/ business environment</td><td data-bbox="1500 876 1657 967">1 mark</td></tr> </tbody> </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)	<b>Exemplar and annotations</b>	<b>Mark</b> <b>Rationale</b>	
	<p>Keeping the natural environment safe now <span style="border: 1px solid red; padding: 2px;"> </span>. So that it is usable in the future <span style="border: 1px solid red; padding: 2px;"> </span>, to reduce dependence on single use plastic <span style="border: 1px solid red; padding: 2px;"> </span>.</p>	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)	
	<p>Making sure a business can maintain its current production now <span style="border: 1px solid red; padding: 2px;"> </span> and in the future <span style="border: 1px solid red; padding: 2px;"> </span>. For example, not relying on fossil fuels <span style="border: 1px solid red; padding: 2px;"> </span>.</p>	3 Clear knowledge based on now <span style="border: 1px solid red; padding: 2px;"> </span> and in the future <span style="border: 1px solid red; padding: 2px;"> </span> , with a clear example.	
	<p>Sustainability involves looking after the environment <span style="border: 1px solid red; padding: 2px;"> </span> for example by recycling <span style="border: 1px solid red; padding: 2px;"> </span></p>	2 Knowledge and an example – no explanation.	
	<p>Sustainability is a social goal about the ability of people to co-exist on Earth over a long time. <span style="border: 1px solid red; padding: 2px;"> </span>.</p>	1 A reasonable definition with the idea of now and the future.	
	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 border="1" data-bbox="736 314 1507 843"> <thead> <tr> <th></th> <th>Budgeted</th> <th>Actual</th> <th>Variance</th> </tr> <tr> <th></th> <th>\$000</th> <th>\$000</th> <th></th> </tr> </thead> <tbody> <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> </tbody> </table> <p>1 mark for each correctly calculated variance  (including favourable or adverse).  <i>Ignore + and – signs.</i>  <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																						
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Question	Answer		Marks								
1(b)(ii)	<p><b>Explain <u>one</u> benefit to PS of using incremental budgeting.</b></p> <table border="1" data-bbox="332 282 1866 747"> <thead> <tr> <th data-bbox="332 282 1102 377">AO1 Knowledge and understanding 1 mark</th><th data-bbox="1102 282 1866 377">AO2 Application 2 marks</th></tr> </thead> <tbody> <tr> <td data-bbox="332 377 1102 504"></td><td data-bbox="1102 377 1866 504"> <b>2 marks</b>            Developed application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td data-bbox="332 504 1102 663"> <b>1 mark</b>            Knowledge of <b>one</b> relevant point is used to answer the question.         </td><td data-bbox="1102 504 1866 663"> <b>1 mark</b>            Limited application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td data-bbox="332 663 1102 747"> <b>0 marks</b>            No creditable response.         </td><td data-bbox="1102 663 1866 747"> <b>0 marks</b>            No creditable response.         </td></tr> </tbody> </table>	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		<b>2 marks</b> Developed application of <b>one</b> relevant point to a business context.	<b>1 mark</b> Knowledge of <b>one</b> relevant point is used to answer the question.	<b>1 mark</b> Limited application of <b>one</b> relevant point to a business context.	<b>0 marks</b> No creditable response.	<b>0 marks</b> No creditable response.	3	
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<b>Indicative content</b> <b>AO1 Knowledge and understanding</b> Knowledge of a benefit of using incremental budgeting  , including:	<ul style="list-style-type: none"> <li>• Simplicity / easy to adjust</li> <li>• Speed (quicker)</li> <li>• Consistency</li> <li>• Avoids conflict between managers</li> <li>• Realistic</li> <li>• Allows business to respond to changes</li> </ul> <p><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></p>										

Question	Answer	Marks									
1(b)(ii)	<p><b>AO2 Application</b></p> <p>Explanation of a benefit of using incremental budgeting <span style="border: 1px solid red; padding: 2px;">AO2</span>, including:</p> <ul style="list-style-type: none"> <li>• Simplicity; by adding a small amount to the previous time period, this avoids any complicated preparations</li> <li>• Speed (quicker); reduced the time needed to prepare a business' budgets</li> <li>• Consistency; as each budget uses the previous as a base, there is a consistent approach every time</li> <li>• Avoids conflict between managers; due to the consistent approach</li> <li>• Realistic; because based on previous data</li> </ul> <p>Context of a benefit of using incremental budgeting <span style="border: 1px solid red; padding: 2px;">L1B</span>, including:</p> <ul style="list-style-type: none"> <li>• Use of Table 1.1</li> <li>• Each budget has a variance</li> <li>• OFR from answer to <b>Q1(b)(i)</b></li> <li>• PS sells through its own website</li> <li>• Web sales and subscription available</li> <li>• PS uses the postal service</li> <li>• Aim to improve the sustainability of its operations</li> <li>• New Marketing Manager being recruited</li> </ul> <p>Accept all valid responses.</p> <p><b>Guidance in awarding marks</b></p> <table border="1" data-bbox="332 949 1648 1217"> <tbody> <tr> <td data-bbox="332 949 570 1049">Knowledge &amp; understanding</td><td data-bbox="570 949 1484 1049">Knowledge of a benefit of using incremental budgeting</td><td data-bbox="1484 949 1648 1049">1 mark</td></tr> <tr> <td data-bbox="332 1049 570 1149">Explanation</td><td data-bbox="570 1049 1484 1149">Explanation of a benefit to a business of using incremental budgeting</td><td data-bbox="1484 1049 1648 1149">1 mark</td></tr> <tr> <td data-bbox="332 1149 570 1217">Context</td><td data-bbox="570 1149 1484 1217">Context linked to a benefit to PS of using incremental budgeting</td><td data-bbox="1484 1149 1648 1217">1 mark</td></tr> </tbody> </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	
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Question	Answer	Marks	
1(b)(ii)	<b>Exemplar and annotations</b>	<b>Mark</b>	
	It is quicker than other methods of budgeting <span style="border: 1px solid red; padding: 2px;"> </span> because the Manager just adds on a small amount to budget from last year <span style="border: 1px solid red; padding: 2px;"> </span> which means they can focus on PS's website <span style="border: 1px solid red; padding: 2px;"> </span> .	3	Speed/quicker is enough for knowledge, which is then explained with context.
	Because it is based on past data <span style="border: 1px solid red; padding: 2px;"> </span> incremental budgeting is more realistic <span style="border: 1px solid red; padding: 2px;"> </span> , so that the revenue variance should be less than 100 next year <span style="border: 1px solid red; padding: 2px;"> </span> .	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 <span style="border: 1px solid red; padding: 2px;"> </span> because it's based on previous figures <span style="border: 1px solid red; padding: 2px;"> </span> .	2	Knowledge (easy to use) with some explanation, but no context.
	It is easier <span style="border: 1px solid red; padding: 2px;"> </span> as they can just add 100 to the revenue budget <span style="border: 1px solid red; padding: 2px;"> </span> .	2	Knowledge and context.
	Incremental budgeting is easier <span style="border: 1px solid red; padding: 2px;"> </span> 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)	<p><b>Analyse <u>one</u> advantage and <u>one</u> disadvantage to PS of using an assessment centre when selecting a Marketing Manager.</b></p>				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			<p><b>3–4 marks</b> <b>Developed analysis</b></p> <ul style="list-style-type: none"> <li>Developed analysis that identifies connections between causes, impacts and/or consequences of <b>two</b> points.</li> <li>Developed analysis that identifies connections between causes, impacts and/or consequences of <b>one</b> point.</li> </ul>	
	1	<p><b>1–2 marks</b></p> <ul style="list-style-type: none"> <li>Knowledge of <b>two</b> relevant points is used to answer the question.</li> <li>Knowledge of <b>one</b> relevant point is used to answer the question.</li> </ul>	<p><b>1–2 marks</b></p> <ul style="list-style-type: none"> <li>Application of <b>two</b> relevant points to a business context.</li> <li>Application of <b>one</b> relevant point to a business context.</li> </ul>	<p><b>1–2 marks</b> <b>Limited analysis</b></p> <ul style="list-style-type: none"> <li>Limited analysis that identifies connections between causes, impacts and/or consequences of <b>two</b> points.</li> <li>Limited analysis that identifies connections between causes, impacts and/or consequences of <b>one</b> point.</li> </ul>	
	0	<p><b>0 marks</b> No creditable response.</p>	<p><b>0 marks</b> No creditable response.</p>	<p><b>0 marks</b> No creditable response.</p>	

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

Question	Answer	Marks
1(c)	<p><b>AO3 Analysis</b></p> <p><i>Limited analysis</i> <small>ANS</small> – candidate shows one link in the chain of analysis.</p> <p><i>Developed analysis</i> <small>DEP</small> 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"> <li>• More suitable recruit</li> <li>• lower costs of marketing – increase profitability</li> <li>• higher sales – increase profits</li> <li>• Wider skilled recruit</li> <li>• lower costs of marketing – increase profitability</li> <li>• higher sales – increase profits</li> <li>• Longer process than an interview; more likely to find a better candidate – increase sales and growth of PS.</li> <li>• Final stage of recruitment; may be a suitable way to distinguish between qualified and similar candidates – increase chances of getting the best candidate.</li> <li>• Allows direct comparison with other candidates – increases probability of finding the best candidate who can improve the marketing of PS.</li> <li>• Disadvantages may include:</li> <li>• Takes more time; increase costs – reduces profitability.</li> <li>• 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).</li> <li>• Cost of an assessment centre; significantly more expensive than an interview – decreased profitability.</li> </ul> <p>Accept all valid responses.</p>	

Question	Answer			Marks									
1(c)	<p><b>Exemplars and annotations</b></p> <table border="1" data-bbox="323 282 1814 663"> <thead> <tr> <th data-bbox="323 282 810 343">AO1 Knowledge</th><th data-bbox="810 282 1334 343">AO2 Application</th><th data-bbox="1334 282 1814 343">AO3 Analysis</th></tr> </thead> <tbody> <tr> <td data-bbox="323 343 810 504">Better skilled employees <small>(1)</small>.</td><td data-bbox="810 343 1334 504">So that PS can make sure their new manager can organise the production of digital promotions <small>(1)</small>.</td><td data-bbox="1334 343 1814 504">Which can help PS to increase their sales revenue <small>(1)</small> by selling more perfume and make a greater profit <small>(1)</small>.</td></tr> <tr> <td data-bbox="323 504 810 663">Assessment centres have a high cost <small>(1)</small>.</td><td data-bbox="810 504 1334 663">As all five potential managers <small>(1)</small> will be invited.</td><td data-bbox="1334 504 1814 663">Which will reduce the profitability of PS <small>(1)</small> and reduce the dividends for the shareholders <small>(1)</small>.</td></tr> </tbody> </table>			AO1 Knowledge	AO2 Application	AO3 Analysis	Better skilled employees <small>(1)</small> .	So that PS can make sure their new manager can organise the production of digital promotions <small>(1)</small> .	Which can help PS to increase their sales revenue <small>(1)</small> by selling more perfume and make a greater profit <small>(1)</small> .	Assessment centres have a high cost <small>(1)</small> .	As all five potential managers <small>(1)</small> will be invited.	Which will reduce the profitability of PS <small>(1)</small> and reduce the dividends for the shareholders <small>(1)</small> .	
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Question	Answer	Marks
1(d)	<p><b>Indicative content</b></p> <p><b>AO1 Knowledge and understanding</b> Knowledge of the role of packaging (max 2 marks), including:</p> <ul style="list-style-type: none"> <li>information to customers</li> <li>protection for the product</li> <li>to attract potential customers</li> <li>to promote a brand / branding</li> <li>to enable efficient distribution/portability</li> <li>to add value</li> <li>to meet legal requirements (labelling, weight, ingredients etc.)</li> </ul> <p><b>AO2 Application</b> Context applied to the role of packaging for PS (max 2 marks), including</p> <ul style="list-style-type: none"> <li>website purchases</li> <li>subscription purchases</li> <li>Most perfumes sold in glass bottles (fragility)</li> <li>all products delivered to homes by post</li> <li>can be left in mailbox</li> <li>can be left in safe place outside of the home (weatherproof)</li> <li>PS aim to improve sustainability of operations</li> <li>use of Table 1.1</li> </ul>	

Question	Answer	Marks
1(d)	<p><b>AO3 Analysis</b></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"> <li>Information to customers; to increase sales of both product lines for PS – increase profits and enable growth of SS.</li> <li>Protection for the product;</li> <li>Glass bottles will break if not packaged correctly – PS needs to replace products increasing costs</li> <li>Packages need to be able to be left outdoors – otherwise poor customer satisfaction and lower repeat sales.</li> <li>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.</li> <li>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.</li> <li>To add value – sales have been 20% higher than budgeted so poor packaging might discourage customers from repurchasing products – increases sales/profit.</li> <li>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.</li> <li>Balance between importance of packaging and sustainability – more packaging likely to protect the product but also less sustainability.</li> </ul> <p><b>AO4 Evaluation</b></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"> <li>A judgement over role of effective packaging.</li> <li>Evaluation of the relative importance of different factors.</li> <li>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.</li> </ul> <p>Accept all valid responses.</p>	

Question	Answer			Marks
1(d)	Exemplars for awarding evaluation			
	<b>L1</b> <span style="border: 1px solid red; padding: 2px;">EAL</span> (limited supporting evidence)	<b>L2</b> <span style="border: 1px solid red; padding: 2px;">E</span> (developed supporting evidence)	<b>L3</b> <span style="border: 1px solid red; padding: 2px;">EE</span> (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><b>Identify <u>one</u> type of training.</b></p> <p><b>Indicative content</b></p> <p>Types of training  are:</p> <ul style="list-style-type: none"> <li>• Induction</li> <li>• On the job</li> <li>• Off the job</li> </ul>	1								
2(a)(ii)	<p><b>Explain the term <i>mass market</i>.</b></p> <table border="1" data-bbox="359 595 1875 1056"> <thead> <tr> <th>AO1 Knowledge and understanding 1 mark</th> <th>AO2 Application 2 marks</th> </tr> </thead> <tbody> <tr> <td></td> <td> <b>2 marks</b>            Developed application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td> <b>1 mark</b>            Knowledge of <b>one</b> relevant point is used to answer the question.         </td> <td> <b>1 mark</b>            Limited application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td> <b>0 marks</b>            No creditable response.         </td> <td> <b>0 marks</b>            No creditable response.         </td></tr> </tbody> </table> <p><b>Indicative content</b></p> <p><b>AO1 Knowledge and understanding</b>            Knowledge of mass market  (max 1 mark), including:</p> <ul style="list-style-type: none"> <li>• Aiming a product or service at the majority of people.</li> <li>• Made for the large part of the population</li> <li>• Made for most of the population/market</li> </ul> <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		<b>2 marks</b> Developed application of <b>one</b> relevant point to a business context.	<b>1 mark</b> Knowledge of <b>one</b> relevant point is used to answer the question.	<b>1 mark</b> Limited application of <b>one</b> relevant point to a business context.	<b>0 marks</b> No creditable response.	<b>0 marks</b> No creditable response.	3
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Question	Answer	Marks											
2(a)(ii)	<p><b>AO2 Application</b></p> <p>Explanation of a characteristic of the mass market (or mass marketing) <small>1 mark</small>, including:</p> <table border="1" data-bbox="332 282 1915 560"> <tr> <td data-bbox="332 282 1197 560"> <ul style="list-style-type: none"> <li>• Many different size/colour products</li> <li>• One size fits all products /standardised</li> <li>• Customer wants are more general and less specific</li> <li>• Associated with high output/quantity (than a segment or niche market)</li> <li>• Associated with low(er) prices (than a segment or niche market)</li> </ul> </td><td data-bbox="1197 282 1915 560"> <ul style="list-style-type: none"> <li>• May benefit from economies of scale</li> <li>• Lower risk than niche markets or segmented markets</li> <li>• High level of competition</li> <li>• Competition on national/international/global scale.</li> </ul> </td></tr> </table> <p>Context applied to mass market(s) <small>1 mark</small>, including:</p> <ul style="list-style-type: none"> <li>• Relevant example of mass market(s) (including the shoe market)</li> </ul> <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><b>Guidance in awarding marks</b></p> <table border="1" data-bbox="332 941 1646 1171"> <tr> <td data-bbox="332 941 557 1036">Knowledge &amp; understanding</td><td data-bbox="557 941 1511 1036">Knowledge of a/the mass market</td><td data-bbox="1511 941 1646 1036">1 mark</td></tr> <tr> <td data-bbox="332 1036 557 1100">Explanation</td><td data-bbox="557 1036 1511 1100">Explanation of a characteristic of the mass market</td><td data-bbox="1511 1036 1646 1100">1 mark</td></tr> <tr> <td data-bbox="332 1100 557 1171">Context</td><td data-bbox="557 1100 1511 1171">Applied to a business context/ business environment</td><td data-bbox="1511 1100 1646 1171">1 mark</td></tr> </table>	<ul style="list-style-type: none"> <li>• Many different size/colour products</li> <li>• One size fits all products /standardised</li> <li>• Customer wants are more general and less specific</li> <li>• Associated with high output/quantity (than a segment or niche market)</li> <li>• Associated with low(er) prices (than a segment or niche market)</li> </ul>	<ul style="list-style-type: none"> <li>• May benefit from economies of scale</li> <li>• Lower risk than niche markets or segmented markets</li> <li>• High level of competition</li> <li>• Competition on national/international/global scale.</li> </ul>	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)	<table border="1" data-bbox="368 212 1873 982"> <thead> <tr> <th data-bbox="368 212 1266 276">Exemplar and annotations</th><th data-bbox="1266 212 1379 276">Mark</th><th data-bbox="1379 212 1873 276">Rationale</th></tr> </thead> <tbody> <tr> <td data-bbox="368 276 1266 419">Mass markets are aimed at everybody <span style="border: 1px solid red; padding: 2px;">e</span>. For example, in the shoe market, this might be plain black shoes that anybody could wear <span style="border: 1px solid red; padding: 2px;">a</span> which are all the same <span style="border: 1px solid red; padding: 2px;">a</span>.</td><td data-bbox="1266 276 1379 419">3</td><td data-bbox="1379 276 1873 419">An answer which starts with the knowledge and then applies it to mass shoe market, with a characteristic.</td></tr> <tr> <td data-bbox="368 419 1266 546">CS can sell in high quantity <span style="border: 1px solid red; padding: 2px;">a</span> to the whole market <span style="border: 1px solid red; padding: 2px;">e</span>. At a low price <span style="border: 1px solid red; padding: 2px;">a</span>.</td><td data-bbox="1266 419 1379 546">3</td><td data-bbox="1379 419 1873 546">Two characteristics surrounding the knowledge.</td></tr> <tr> <td data-bbox="368 546 1266 673">Aiming at the majority of people who might want to buy the product <span style="border: 1px solid red; padding: 2px;">e</span>. For example, customers who might buy a blank T-Shirt <span style="border: 1px solid red; padding: 2px;">a</span>.</td><td data-bbox="1266 546 1379 673">2</td><td data-bbox="1379 546 1873 673">Clear knowledge. Some application through an example.</td></tr> <tr> <td data-bbox="368 673 1266 816">A mass market is one that is not focussed on a market segment <span style="border: 1px solid red; padding: 2px;">e</span>. Therefore, the product could be bought by anyone. It is likely that a large number of people would be potential customers.</td><td data-bbox="1266 673 1379 816">1</td><td data-bbox="1379 673 1873 816">A reasonable definition but what follows is more of the same knowledge.</td></tr> <tr> <td data-bbox="368 816 1266 982">Mass markets have high sales revenue <span style="border: 1px solid red; padding: 2px;">T<sub>v</sub></span> and products are likely to have higher price than a niche market <span style="border: 1px solid red; padding: 2px;">X</span>. This could give the business access to economies of scale <span style="border: 1px solid red; padding: 2px;">E<sub>v</sub></span>.</td><td data-bbox="1266 816 1379 982">0</td><td data-bbox="1379 816 1873 982">There are two characteristics here, but no knowledge of mass markets. Therefore, no marks can be awarded.</td></tr> </tbody> </table>	Exemplar and annotations	Mark	Rationale	Mass markets are aimed at everybody <span style="border: 1px solid red; padding: 2px;">e</span> . For example, in the shoe market, this might be plain black shoes that anybody could wear <span style="border: 1px solid red; padding: 2px;">a</span> which are all the same <span style="border: 1px solid red; padding: 2px;">a</span> .	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 <span style="border: 1px solid red; padding: 2px;">a</span> to the whole market <span style="border: 1px solid red; padding: 2px;">e</span> . At a low price <span style="border: 1px solid red; padding: 2px;">a</span> .	3	Two characteristics surrounding the knowledge.	Aiming at the majority of people who might want to buy the product <span style="border: 1px solid red; padding: 2px;">e</span> . For example, customers who might buy a blank T-Shirt <span style="border: 1px solid red; padding: 2px;">a</span> .	2	Clear knowledge. Some application through an example.	A mass market is one that is not focussed on a market segment <span style="border: 1px solid red; padding: 2px;">e</span> . 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 <span style="border: 1px solid red; padding: 2px;">T<sub>v</sub></span> and products are likely to have higher price than a niche market <span style="border: 1px solid red; padding: 2px;">X</span> . This could give the business access to economies of scale <span style="border: 1px solid red; padding: 2px;">E<sub>v</sub></span> .	0	There are two characteristics here, but no knowledge of mass markets. Therefore, no marks can be awarded.	
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2(b)(i)	<p><b>Refer to Table 2.1. Calculate the contribution per unit for the recent batch of shoes.</b></p> <p>Formula:            Contribution per unit = price – VC  <b>or</b> TR – TVC / output  <b>or</b> Profit (TR – TC) / margin of safety (1)</p> <p>Method 1  <math>\\$18\ 750 / 500 = \\$37.50</math> and <math>\\$25\ 000 / 500 = \\$50</math> (1)  <math>\\$50 - \\$37.50 = \\$12.50</math> (1)</p> <p>Method 2  <math>(\\$25\ 000 - \\$18\ 750) = \\$6250</math> (1)  <math>\\$6250 / 500 = \\$12.50</math> (1)</p> <p>Method 3  <math>\\$25\ 000 - \\$23\ 750 = \\$1250</math> (1)  <math>\\$1250 / 100 = \\$12.50</math> (1)</p> <p>Answer = \$12.50 (3)</p>	3

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2(b)(i)	<p><b>Exemplar and annotations</b></p> <table border="1" data-bbox="332 282 1803 1060"> <thead> <tr> <th data-bbox="343 290 804 346">Marks</th><th data-bbox="804 290 1309 346"></th><th data-bbox="1309 290 1803 346"></th></tr> </thead> <tbody> <tr> <td data-bbox="343 346 804 433">3 marks</td><td data-bbox="804 346 1309 433">Correct answer <b>\$12.50 or 12.50 or 12.5</b></td><td data-bbox="1309 346 1803 433"><b>Working and \$ do not matter.</b></td></tr> <tr> <td data-bbox="343 433 804 759">2 marks</td><td data-bbox="804 433 1309 759"> <p><b>Both</b> of the following:</p> <ul data-bbox="837 504 1174 592" style="list-style-type: none"> <li>• Formula</li> <li>• One correct stage of calculation</li> </ul> <p><b>OR</b></p> <p>An incorrect answer with one mistake allowing OFR for final stage.</p> </td><td data-bbox="1309 433 1803 759"> <p>To award two marks, there must be</p> <ul data-bbox="1343 504 1781 624" style="list-style-type: none"> <li>• Two ✓ and a ✗</li> </ul> <p><b>OR</b></p> <ul data-bbox="1343 584 1781 655" style="list-style-type: none"> <li>• One ✓, one ✗ and one <span style="border: 1px solid red; padding: 2px;">OFR</span></li> </ul> </td></tr> <tr> <td data-bbox="343 759 804 917">1 mark</td><td data-bbox="804 759 1309 917"> <p><b>One</b> of the following:</p> <ul data-bbox="837 814 1174 901" style="list-style-type: none"> <li>• Correct formula</li> <li>• One correct stage of calculation.</li> </ul> </td><td data-bbox="1309 759 1803 917"> <p>To award one mark, there must be:</p> <ul data-bbox="1343 814 1668 838" style="list-style-type: none"> <li>• One ✓ and two ✗</li> </ul> </td></tr> <tr> <td data-bbox="343 917 804 1071">0 marks</td><td data-bbox="804 917 1309 1071">No creditable content.</td><td data-bbox="1309 917 1803 1071"> <p>To award zero marks, there must be</p> <ul data-bbox="1343 1005 1511 1029" style="list-style-type: none"> <li>• One ✗</li> </ul> </td><td data-bbox="1927 917 2048 1071"></td></tr> </tbody> </table>	Marks			3 marks	Correct answer <b>\$12.50 or 12.50 or 12.5</b>	<b>Working and \$ do not matter.</b>	2 marks	<p><b>Both</b> of the following:</p> <ul data-bbox="837 504 1174 592" style="list-style-type: none"> <li>• Formula</li> <li>• One correct stage of calculation</li> </ul> <p><b>OR</b></p> <p>An incorrect answer with one mistake allowing OFR for final stage.</p>	<p>To award two marks, there must be</p> <ul data-bbox="1343 504 1781 624" style="list-style-type: none"> <li>• Two ✓ and a ✗</li> </ul> <p><b>OR</b></p> <ul data-bbox="1343 584 1781 655" style="list-style-type: none"> <li>• One ✓, one ✗ and one <span style="border: 1px solid red; padding: 2px;">OFR</span></li> </ul>	1 mark	<p><b>One</b> of the following:</p> <ul data-bbox="837 814 1174 901" style="list-style-type: none"> <li>• Correct formula</li> <li>• One correct stage of calculation.</li> </ul>	<p>To award one mark, there must be:</p> <ul data-bbox="1343 814 1668 838" style="list-style-type: none"> <li>• One ✓ and two ✗</li> </ul>	0 marks	No creditable content.	<p>To award zero marks, there must be</p> <ul data-bbox="1343 1005 1511 1029" style="list-style-type: none"> <li>• One ✗</li> </ul>		
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2(b)(ii)	<p><b>Explain <u>one</u> limitation for CS of using break-even analysis.</b></p> <table border="1" data-bbox="332 282 1866 747"> <thead> <tr> <th data-bbox="332 282 1102 377">AO1 Knowledge and understanding 1 mark</th><th data-bbox="1102 282 1866 377">AO2 Application 2 marks</th></tr> </thead> <tbody> <tr> <td data-bbox="332 377 1102 504"></td><td data-bbox="1102 377 1866 504"> <b>2 marks</b>            Developed application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td data-bbox="332 504 1102 663"> <b>1 mark</b>            Knowledge of <b>one</b> relevant point is used to answer the question.         </td><td data-bbox="1102 504 1866 663"> <b>1 mark</b>            Limited application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td data-bbox="332 663 1102 747"> <b>0 marks</b>            No creditable response.         </td><td data-bbox="1102 663 1866 747"> <b>0 marks</b>            No creditable response.         </td></tr> </tbody> </table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		<b>2 marks</b> Developed application of <b>one</b> relevant point to a business context.	<b>1 mark</b> Knowledge of <b>one</b> relevant point is used to answer the question.	<b>1 mark</b> Limited application of <b>one</b> relevant point to a business context.	<b>0 marks</b> No creditable response.	<b>0 marks</b> No creditable response.	3
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	<p><b>Indicative content</b></p> <p><b>AO1 Knowledge and understanding</b></p> <p>Knowledge of a limitation of using break-even analysis <span style="border: 1px solid red; padding: 2px;">[ ]</span>, including:</p> <ul style="list-style-type: none"> <li>• not all costs and revenue can be split</li> <li>• assumes all costs are a straight line (constant)</li> <li>• assumes price is constant</li> <li>• assumes all output is sold/does not take into account demand/demand fluctuates</li> <li>• assumes all costs are fixed or variable</li> <li>• needs to be calculated for each product</li> <li>• it ignores capacity</li> <li>• assumes that fixed costs do not change as output increases</li> <li>• assumes fixed costs can be allocated</li> <li>• assumes no external influences.</li> </ul> <p><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></p>										

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2(b)(ii)	<p><b>AO2 Application</b></p> <p>Explanation of a limitation if using break-even analysis <span style="color: red;">[up to 10 marks]</span>, including:</p> <ul style="list-style-type: none"> <li>not all costs and revenue can be split: and break-even assumes that all costs can be split.</li> <li>assumes all costs are a straight line (constant); whereas costs are likely to fall (on average) as output increases.</li> <li>assumes price is constant; whereas most businesses will need to reduce the price to sell more.</li> <li>assumes all output is sold; which is unlikely for most businesses – wastage, obsolescence etc.</li> <li>assumes all costs are fixed or variable; whereas there are semi-fixed / semi-variable costs.</li> <li>needs to be calculated for each product: only really works for a single product business.</li> <li>it ignores capacity; if the capacity is below the break-even point, then the business will never break even.</li> <li>assumes that fixed costs do not change as output increases; but as output increases most firms will need to source more fixed assets.</li> <li>assumes fixed costs can be allocated: which is not always possible for a multi-product business.</li> </ul> <p>Context applied to a limitation of using break-even analysis <span style="color: red;">[up to 10 marks]</span> including:</p> <ul style="list-style-type: none"> <li>Yazeem uses a range of colours and sizes – may be impossible to do break-even for each style of shoe/size/colour.</li> <li>Uses batch production – may be impossible to allocate the fixed costs to each style/size/colour.</li> <li>At least two employees (Yazeem and Abir) – how can their time be allocated to production/administration etc.</li> <li>Increase in low-priced shoes – may make it impossible to sell all the output.</li> <li>Use of Table 2.1.</li> <li>ORF from Q2(b)(i)</li> </ul> <p>Accept all valid responses.</p> <p><b>Guidance in awarding marks</b></p> <table border="1" data-bbox="332 1060 1648 1289"> <tbody> <tr> <td data-bbox="332 1060 563 1156">Knowledge &amp; understanding</td><td data-bbox="563 1060 1477 1156">Knowledge of a limitation of using break-even analysis</td><td data-bbox="1477 1060 1648 1156">1 mark</td></tr> <tr> <td data-bbox="332 1156 563 1213">Explanation</td><td data-bbox="563 1156 1477 1213">Explanation of a limitation of using break-even analysis</td><td data-bbox="1477 1156 1648 1213">1 mark</td></tr> <tr> <td data-bbox="332 1213 563 1289">Context</td><td data-bbox="563 1213 1477 1289">Context linked to a limitation of using break-even analysis</td><td data-bbox="1477 1213 1648 1289">1 mark</td></tr> </tbody> </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	
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2(b)(ii)	<b>Exemplar and annotations</b>	<b>Mark</b> <b>Rationale</b>	
	Break-even analysis assumes average costs do not change <span style="border: 1px solid red; padding: 2px;">e</span> but CS's average variable costs are likely to change <span style="border: 1px solid red; padding: 2px;">e</span> because CS is using batch production <span style="border: 1px solid red; padding: 2px;">e</span>	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 <span style="border: 1px solid red; padding: 2px;">e</span> , which is likely to mean the transportation costs <span style="border: 1px solid red; padding: 2px;">e</span> are not constant <span style="border: 1px solid red; padding: 2px;">e</span> .	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 <span style="border: 1px solid red; padding: 2px;">e</span> which could mean that the Total Revenue is not constant <span style="border: 1px solid red; padding: 2px;">e</span> .	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 <span style="border: 1px solid red; padding: 2px;">e</span> .	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. <span style="border: 1px solid red; padding: 2px;">e</span>	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. <span style="border: 1px solid red; padding: 2px;">e</span>	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)	<p><b>Analyse <u>two</u> disadvantages to CS of adopting a JIT approach to inventory management.</b></p> <table border="1" data-bbox="350 279 1900 1152"> <thead> <tr> <th data-bbox="350 279 473 406">Level</th><th data-bbox="473 279 810 406">AO1 Knowledge and understanding 2 marks</th><th data-bbox="810 279 1147 406">AO2 Application 2 marks</th><th data-bbox="1147 279 1900 406">AO3 Analysis 4 marks</th></tr> </thead> <tbody> <tr> <td data-bbox="350 406 473 716">2</td><td data-bbox="473 406 810 716"></td><td data-bbox="810 406 1147 716"></td><td data-bbox="1147 406 1900 716"> <p><b>3–4 marks</b>  <b>Developed analysis</b></p> <ul style="list-style-type: none"> <li>Developed analysis that identifies connections between causes, impacts and/or consequences of <b>two</b> points.</li> <li>Developed analysis that identifies connections between causes, impacts and/or consequences of <b>one</b> point.</li> </ul> </td></tr> <tr> <td data-bbox="350 716 473 1049">1</td><td data-bbox="473 716 810 1049"> <p><b>1–2 marks</b></p> <ul style="list-style-type: none"> <li>Knowledge of <b>two</b> relevant points is used to answer the question.</li> <li>Knowledge of <b>one</b> relevant point is used to answer the question.</li> </ul> </td><td data-bbox="810 716 1147 1049"> <p><b>1–2 marks</b></p> <ul style="list-style-type: none"> <li>Application of <b>two</b> relevant points to a business context.</li> <li>Application of <b>one</b> relevant point to a business context.</li> </ul> </td><td data-bbox="1147 716 1900 1049"> <p><b>1–2 marks</b>  <b>Limited analysis</b></p> <ul style="list-style-type: none"> <li>Limited analysis that identifies connections between causes, impacts and/or consequences of <b>two</b> points.</li> <li>Limited analysis that identifies connections between causes, impacts and/or consequences of <b>one</b> point.</li> </ul> </td></tr> <tr> <td data-bbox="350 1049 473 1152">0</td><td data-bbox="473 1049 810 1152"> <p><b>0 marks</b>            No creditable response.</p> </td><td data-bbox="810 1049 1147 1152"> <p><b>0 marks</b>            No creditable response.</p> </td><td data-bbox="1147 1049 1900 1152"> <p><b>0 marks</b>            No creditable response.</p> </td></tr> </tbody> </table>	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	2			<p><b>3–4 marks</b>  <b>Developed analysis</b></p> <ul style="list-style-type: none"> <li>Developed analysis that identifies connections between causes, impacts and/or consequences of <b>two</b> points.</li> <li>Developed analysis that identifies connections between causes, impacts and/or consequences of <b>one</b> point.</li> </ul>	1	<p><b>1–2 marks</b></p> <ul style="list-style-type: none"> <li>Knowledge of <b>two</b> relevant points is used to answer the question.</li> <li>Knowledge of <b>one</b> relevant point is used to answer the question.</li> </ul>	<p><b>1–2 marks</b></p> <ul style="list-style-type: none"> <li>Application of <b>two</b> relevant points to a business context.</li> <li>Application of <b>one</b> relevant point to a business context.</li> </ul>	<p><b>1–2 marks</b>  <b>Limited analysis</b></p> <ul style="list-style-type: none"> <li>Limited analysis that identifies connections between causes, impacts and/or consequences of <b>two</b> points.</li> <li>Limited analysis that identifies connections between causes, impacts and/or consequences of <b>one</b> point.</li> </ul>	0	<p><b>0 marks</b>            No creditable response.</p>	<p><b>0 marks</b>            No creditable response.</p>	<p><b>0 marks</b>            No creditable response.</p>	8
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2(c)	<p><b>Indicative content</b></p> <p><b>AO1 Knowledge and understanding</b> Knowledge of just in time inventory management <input type="checkbox"/> (max 1 mark if no knowledge of disadvantage(s)), including:</p> <ul style="list-style-type: none"> <li>Orders made from suppliers as needed.</li> <li>Products produced as required by customers.</li> <li>Limited or zero inventory required to be held.</li> </ul> <p>Knowledge of disadvantages of just in time <input type="checkbox"/> (max 2 marks – annotate first disadvantage on left and second disadvantage on right), including:</p> <ul style="list-style-type: none"> <li>Risk of running out of stock.</li> <li>Reliance on (new) suppliers – frequency of ordering/deliveries</li> <li>Requires planning/time.</li> <li>Limited scope for mass/batch production (little scope for economies of scale) – increased average cost</li> <li>Finished product inventory cannot be used for promotional purposes.</li> <li>Difficult to forecast/budget</li> <li>Cost of infrastructure/capital</li> <li>Might be difficult to respond to changing demand.</li> </ul> <p><b>AO2 Application</b> Context applied to a disadvantage of using JIT <input type="checkbox"/> (max 2 marks), including:</p> <ul style="list-style-type: none"> <li>Currently selling to mass market (professionals for work or smart dress).</li> <li>Currently using batch production.</li> <li>Abir has suggested a move towards niche, unique (job produced) shoes.</li> <li>New local supplier suggested by Abir.</li> <li>Shoes on display in the shop.</li> <li>Raw material of leather must be in climate controlled storage.</li> <li>No current relationship to suggested new supplier.</li> <li>Range of sizes and colours.</li> </ul>	

Question	Answer	Marks									
2(c)	<p><b>AO3 Analysis</b></p> <p>Analysis of disadvantage(s) of using JIT, including:</p> <p><i>Limited analysis</i> <span style="color: red;">□</span> – candidate shows one link in the chain of analysis.</p> <p><i>Developed analysis</i> <span style="color: red;">□</span> candidate shows two or more links in the chain of analysis or a two-sided analysis.</p> <ul style="list-style-type: none"> <li>• Risk of running out of stock;</li> <li>• may dissatisfy customers and lead to bad publicity – lower sales/profit.</li> <li>• May lead Yazeem to be idle increasing costs – lower profitability.</li> <li>• 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.</li> <li>• Requires planning/time – If Yazeem/Abir are planning the logistics they may be less productive in producing shoes – lower sales/profit.</li> <li>• Limited scope for mass/batch production (little scope for economies of scale); increased costs – lower profitability.</li> <li>• 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.</li> </ul> <p>Accept all valid responses.</p> <p><b>Exemplars and annotations</b></p> <table border="1" data-bbox="316 906 1805 1351"> <thead> <tr> <th data-bbox="316 906 804 965">AO1 Knowledge</th><th data-bbox="804 906 1316 965">AO2 Application</th><th data-bbox="1316 906 1805 965">AO3 Analysis</th></tr> </thead> <tbody> <tr> <td data-bbox="316 965 804 1105">CS may run out of stock <span style="color: red;">□</span>.</td><td data-bbox="804 965 1316 1105">And since CS is selling to the mass market <span style="color: red;">□</span><span style="color: red;">□</span>.</td><td data-bbox="1316 965 1805 1105">Customers may choose to go elsewhere, reducing CS's revenue <span style="color: red;">□</span> leading to less profit <span style="color: red;">□</span><span style="color: red;">□</span>.</td></tr> <tr> <td data-bbox="316 1105 804 1351">CS would need a new supplier <span style="color: red;">□</span></td><td data-bbox="804 1105 1316 1351">Although Abir has already found one who is happy to deliver as required <span style="color: red;">□</span><span style="color: red;">□</span></td><td data-bbox="1316 1105 1805 1351">However, CS do not have a relationship with them and they might not deliver the materials on time <span style="color: red;">□</span> leading to customers being dissatisfied and going to a competitor. <span style="color: red;">□</span><span style="color: red;">□</span></td></tr> </tbody> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	CS may run out of stock <span style="color: red;">□</span> .	And since CS is selling to the mass market <span style="color: red;">□</span> <span style="color: red;">□</span> .	Customers may choose to go elsewhere, reducing CS's revenue <span style="color: red;">□</span> leading to less profit <span style="color: red;">□</span> <span style="color: red;">□</span> .	CS would need a new supplier <span style="color: red;">□</span>	Although Abir has already found one who is happy to deliver as required <span style="color: red;">□</span> <span style="color: red;">□</span>	However, CS do not have a relationship with them and they might not deliver the materials on time <span style="color: red;">□</span> leading to customers being dissatisfied and going to a competitor. <span style="color: red;">□</span> <span style="color: red;">□</span>	
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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				<b>5–6 marks</b> <b>Developed evaluation in context</b> <ul style="list-style-type: none"> <li>A developed judgement/conclusion is made in the business context.</li> <li>Developed evaluative comments which balance some key arguments in the business context.</li> </ul>	
	2	<b>2 marks</b> <b>Developed knowledge</b> of relevant key term(s) and/or factor(s) is used to answer the question.	<b>2 marks</b> <b>Developed application</b> of relevant point(s) to the business context.	<b>2 marks</b> <b>Developed analysis</b> that identifies connections between causes, impacts and/or consequences.	<b>3–4 marks</b> <b>Developed evaluation</b> <ul style="list-style-type: none"> <li>A developed judgement/conclusion is made.</li> <li>Developed evaluative comments which balance some key arguments.</li> </ul>	
	1	<b>1 mark</b> <b>Limited knowledge</b> of relevant key term(s) and/or factor(s) is used to answer the question.	<b>1 mark</b> <b>Limited application</b> of relevant point(s) to the business context.	<b>1 mark</b> <b>Limited analysis</b> that identifies connections between causes, impacts and/or consequences.	<b>1–2 marks</b> <b>Limited evaluation</b> <ul style="list-style-type: none"> <li>A judgement/conclusion is made with limited supporting comment/evidence.</li> <li>An attempt is made to balance the arguments.</li> </ul>	
	0	<b>0 marks</b> No creditable response.	<b>0 marks</b> No creditable response.	<b>0 marks</b> No creditable response.	<b>0 marks</b> No creditable response.	

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

Question	Answer	Marks
2(d)	<p><b>AO2 Application</b></p> <p>Context applied to features of being a small business <span style="border: 1px solid red; padding: 2px;">AO2</span> (max 2 marks), including:</p> <ul style="list-style-type: none"> <li>• Yazeem is a highly skilled shoemaker</li> <li>• Sole trader</li> <li>• Abir is fully trained in making shoes</li> <li>• CS opened in 1975</li> <li>• Currently targeting a mass market (professional men and women)</li> <li>• Currently produced using batch production</li> <li>• Shoes sold in own shop</li> <li>• Range of sizes and colours</li> <li>• Increase in low-priced mass market shoes – reduced CS sales and repairs</li> <li>• Abir feels it is time for Yazeem to retire</li> <li>• Abir would like to design and produce unique shoes for niche markets</li> <li>• New products would use price skimming</li> <li>• Use of Table 2.1</li> <li>• Abir suggested adoption of JIT</li> </ul>	

Question	Answer	Marks
2(d)	<p><b>AO3 Analysis</b></p> <p><i>Limited analysis</i> <span style="border: 1px solid red; padding: 0 2px;">A1</span> – candidate shows one link in the chain of analysis.</p> <p><i>Developed analysis</i> <span style="border: 1px solid red; padding: 0 2px;">A2</span> – candidate shows two or more links in the chain of analysis.</p> <ul style="list-style-type: none"> <li>• Lifestyle/personal satisfaction; Yazeem (and Abir) can choose their own hours which may increase their happiness – likely objective of Yazeem as a sole trader.</li> <li>• Independence; Yazeem does not have to ask anyone's opinion when making decisions which may suit him – increased happiness.</li> <li>• Opportunities; as a small business Yazeem and Abir can more easily take advantage of new trends (such as the niche markets) – increased sales/profit.</li> <li>• 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.</li> <li>• Less reliance on other people; less opportunities for wastage – lower costs, increased profitability.</li> <li>• Expertise; both Yazeem and Abir are highly skilled and can focus these on their small customer base – increased customer satisfaction.</li> <li>• Unique selling point (USP); having expert owners may allow CS to sell at a higher price – increased profitability.</li> <li>• Personal service for customers; customers feel like they are being well looked after (as they are dealing with the owners) – increased sales/profit.</li> <li>• Focus; As Yazeem is the owner he is more likely to be motivated – increased productivity.</li> <li>• Easy to plan; few employees mean that CS can adapt their business to meet current demand – increased sales/profit.</li> <li>• Easy to control/coordinate/lead; less customers mean that CS can adapt their business to meet current demand – increased sales/profit.</li> </ul> <p><b>AO4 Evaluation</b></p> <p><i>Limited evaluation</i> <span style="border: 1px solid red; padding: 0 2px;">E1</span> – unsupported judgement and/or a weak attempt at evaluative comment</p> <p><i>Developed evaluation</i> <span style="border: 1px solid red; padding: 0 2px;">E</span> – supported judgement and/or reasonable evaluative comment</p> <p><i>Developed evaluation in context</i> <span style="border: 1px solid red; padding: 0 2px;">EE</span> – supported judgement in context and/or reasonable evaluative comment in context.</p> <ul style="list-style-type: none"> <li>• A judgement the importance of being a small business.</li> <li>• Evaluation of the relative importance of different advantages/factors.</li> <li>• 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.</li> </ul> <p>Accept all valid responses.</p>	

Question	Answer			Marks
2(d) <b>Exemplars for awarding evaluation</b>	<b>L1</b> (limited supporting evidence)	<b>L2</b> (developed supporting evidence)	<b>L3</b> (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.	