

# Cambridge International AS & A Level

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

Paper 2 Business Concepts 2

**May/June 2025****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 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

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This document consists of **38** 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.

**Annotations guidance for centres**

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

**Annotations**

Annotation	Meaning
	For objective points that are right or wrong.
	For objective points that are wrong.
	When there is a misunderstanding in a response.
	When the candidate has attempted something, but the mark/skill has not been awarded.
Highlighter Or Underline	To highlight a point or section of an answer that justifies the mark/annotation.
	When the candidate has attempted something, and the mark/skill has been awarded.
On page comment	To communicate with the supervisor.
	When the context has not been used.

Annotation	Meaning
<b>SEEN</b>	To show a page/section has been seen/read.
<b>NAQ</b>	When the response is not focussed on answering the question.
<b>REP</b>	The repetition of a previous point in a response <b>or</b> candidate is copying the case study/data.
<b>OFR</b>	The own figure rule applies – acts as a mark/tick.
<b>K</b>	When AO1 has been awarded. Number of Ks should match the mark awarded.
<b>APP</b>	When AO2 has been awarded. Number of APPs should match the mark awarded.
<b>AN</b>	When AO3 at Level 1 has been awarded.
<b>DEV</b>	When AO3 at Level 2 has been awarded.
<b>EVAL</b>	When AO4 at Level 1 has been awarded.
<b>E</b>	When AO4 at Level 2 has been awarded.
<b>EE</b>	When AO4 at Level 3 has been awarded.

**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** 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.

Question	Answer	Marks
1(a)(i)	<p><b>Identify <u>one</u> business activity within the quaternary sector.</b></p> <p>Responses may include: The quaternary sector consists of those industries providing <b>knowledge/communication and information services</b>, such as</p> <ul style="list-style-type: none"> <li>• computing</li> <li>• ICT</li> <li>• consultancy</li> <li>• research and development (R&amp;D)</li> <li>• digital marketing</li> <li>• digital recruitment and selection</li> <li>• Intellectual property (copyright, patents)</li> </ul> <p>Allow examples of specific business', industries etc. that exist in the quaternary sector, including</p> <ul style="list-style-type: none"> <li>• web/internet design</li> <li>• Education</li> <li>• Training</li> <li>• Media</li> <li>• Government</li> <li>• Cyber security</li> </ul> <p><i>Note: – allow any activity that <u>could</u> be in the quaternary sector</i></p> <p>Accept all valid responses.</p>	1

Question	Answer		Marks							
1(a)(ii)	<p><b>Explain the term <i>supply chain management</i>.</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.	<b>3</b>
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Responses may include: <b>AO1 Knowledge and understanding</b> Knowledge of supply chain management <span style="border: 1px solid red; padding: 0 2px;">K</span> (max 1 mark), including: The coordination (allow management) of the flow/movement of goods and services. Allow – management of inventory –management of raw materials	<b>AO2 Application</b> <span style="border: 1px solid red; padding: 0 2px;">APP</span> <i>Limited application</i> <span style="border: 1px solid red; padding: 0 2px;">APP</span> <i>applies knowledge of supply chain management from one aspect of the supply chain (ie suppliers to a business, within a business or from the business to customers).</i> <i>Developed application</i> <span style="border: 1px solid red; padding: 0 2px;">APP</span> + <span style="border: 1px solid red; padding: 0 2px;">APP</span> <i>applies knowledge of supply chain management in two or more aspects of a business.</i>  Explanation of supply chain management <span style="border: 1px solid red; padding: 0 2px;">APP</span> (max 2 marks), including: <b>From</b> suppliers to business <b>Within</b> the business <b>To</b> the customer									

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1(a)(ii)	<ul style="list-style-type: none"> <li>From suppliers <small>APP</small> – and to customers <small>APP</small>.</li> <li>Between different parts <b>within</b> the business – and <b>to</b> the customer.</li> <li>Raw materials <b>within</b> the business – and <b>to</b> distribution channels.</li> <li>Involves the complete chain of inventory <b>from</b> suppliers – <b>to</b> customers.</li> <li>Involves inventories, <b>from</b> raw materials – <b>to</b> finished goods.</li> </ul> <p>Accept all valid responses.</p> <table border="1" data-bbox="332 462 1911 1430"> <thead> <tr> <th data-bbox="332 462 1230 522">Exemplar and annotations</th><th data-bbox="1230 462 1304 522">Mark</th><th data-bbox="1304 462 1911 522">Rationale</th></tr> </thead> <tbody> <tr> <td data-bbox="332 522 1230 663">Coordination of the movement of products <small>K</small>. For example, how raw materials are delivered to the business <small>APP</small> and how the business delivers products to customers <small>APP</small>.</td><td data-bbox="1230 522 1304 663">3</td><td data-bbox="1304 522 1911 663">Explicit knowledge of supply chain management and explanation of two elements of the supply chain.</td></tr> <tr> <td data-bbox="332 663 1230 890">The coordination of products <small>K</small> from the suppliers delivering to the business <small>APP</small> and how the business moves these through its production process <small>APP</small>.</td><td data-bbox="1230 663 1304 890">3</td><td data-bbox="1304 663 1911 890">Poorly defined, but there is clear knowledge that the supply chain involves movement. Two elements of the movement, from the supplier to the business and then the business through the production process.</td></tr> <tr> <td data-bbox="332 890 1230 1022">Movement of inventory <small>K</small> around a factory <small>APP</small>, and to the customers <small>APP</small></td><td data-bbox="1230 890 1304 1022">3</td><td data-bbox="1304 890 1911 1022">Knowledge of movement with movement around a factory and to customers, so all three marks.</td></tr> <tr> <td data-bbox="332 1022 1230 1129">Management of the raw materials being turned into products <small>K</small> which can be sent to customers <small>APP</small>.</td><td data-bbox="1230 1022 1304 1129">2</td><td data-bbox="1304 1022 1911 1129">Clear knowledge, but only one type of movement.</td></tr> <tr> <td data-bbox="332 1129 1230 1260">Managing the movement of products <small>K</small>.</td><td data-bbox="1230 1129 1304 1260">1</td><td data-bbox="1304 1129 1911 1260">Not a perfect definition, but enough to award the knowledge mark. No attempt to apply.</td></tr> <tr> <td data-bbox="332 1260 1230 1351">Looking after how products are offered to customers.</td><td data-bbox="1230 1260 1304 1351">0</td><td data-bbox="1304 1260 1911 1351">No explicit knowledge of movement. Can not award APP without K.</td></tr> <tr> <td data-bbox="332 1351 1230 1430">Managing the supply chain. <small>TV</small></td><td data-bbox="1230 1351 1304 1430">0</td><td data-bbox="1304 1351 1911 1430">Tautology</td></tr> </tbody> </table>	Exemplar and annotations	Mark	Rationale	Coordination of the movement of products <small>K</small> . For example, how raw materials are delivered to the business <small>APP</small> and how the business delivers products to customers <small>APP</small> .	3	Explicit knowledge of supply chain management and explanation of two elements of the supply chain.	The coordination of products <small>K</small> from the suppliers delivering to the business <small>APP</small> and how the business moves these through its production process <small>APP</small> .	3	Poorly defined, but there is clear knowledge that the supply chain involves movement. Two elements of the movement, from the supplier to the business and then the business through the production process.	Movement of inventory <small>K</small> around a factory <small>APP</small> , and to the customers <small>APP</small>	3	Knowledge of movement with movement around a factory and to customers, so all three marks.	Management of the raw materials being turned into products <small>K</small> which can be sent to customers <small>APP</small> .	2	Clear knowledge, but only one type of movement.	Managing the movement of products <small>K</small> .	1	Not a perfect definition, but enough to award the knowledge mark. No attempt to apply.	Looking after how products are offered to customers.	0	No explicit knowledge of movement. Can not award APP without K.	Managing the supply chain. <small>TV</small>	0	Tautology	
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Question	Answer	Marks
1(b)(i)	<p><b>Refer to Table 1.1 and other information. Calculate TT's forecast total profit from the QZ contract.</b></p> <p><b>Formula:</b>  <math>\text{Profit} = \text{TR} - \text{TC} (\text{direct costs} + \text{indirect costs})</math> (1)</p> <p><b>OR</b></p> <p>Calculation of total direct costs = <math>\\$5 \times 5000 = \\$25\,000</math> (1)</p> <p><b>Calculation of TC:</b>  <math>\text{TC} = \\$25\,000 + \\$9000 = \\$34\,000</math> (1)</p> <p><b>Answer</b></p> <p><math>\\$40\,000 - \\$34\,000 = \\$6000</math> (1 – OFR rule applies)</p> <p><b>Ans = \$6000 (3 marks)</b></p>	

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1(b)(i)	<p><b>Exemplars and annotations</b></p> <table border="1" data-bbox="327 282 1769 1227"> <thead> <tr> <th data-bbox="327 282 788 343">Marks</th><th data-bbox="788 282 1282 343"></th><th data-bbox="1282 282 1769 343"></th></tr> </thead> <tbody> <tr> <td data-bbox="327 343 788 482"><b>3 marks</b></td><td data-bbox="788 343 1282 482">Correct answer <b>6000</b></td><td data-bbox="1282 343 1769 482"> <b>Working and \$ sign do not matter.</b>            An answer of 6 is incorrect.         </td></tr> <tr> <td data-bbox="327 482 788 949"><b>2 marks</b></td><td data-bbox="788 482 1282 949">           Correct calculation of total costs (TC) (\$34 000 – with working).  <b>OR</b>            Correct calculation of gross profit (\$15 000 – with working)  <b>OR</b>            An incorrect answer with one mistake allowing OFR for final stage.         </td><td data-bbox="1282 482 1769 949">           To award two marks, there must be           <ul style="list-style-type: none"> <li>• Two ✓ and a ✗</li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• One ✓, one ✗ and one <small>OR</small></li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• Two <small>OR</small> and a ✗</li> </ul> </td></tr> <tr> <td data-bbox="327 949 788 1117"><b>1 mark</b></td><td data-bbox="788 949 1282 1117"> <b>One</b> of the following:           <ul style="list-style-type: none"> <li>• Correct formula</li> <li>• Correct calculation of total direct costs (\$25 000)</li> </ul> </td><td data-bbox="1282 949 1769 1117">           To award one mark, there must be:           <ul style="list-style-type: none"> <li>• One ✓ and two ✗</li> </ul> </td></tr> <tr> <td data-bbox="327 1117 788 1235"><b>0 marks</b></td><td data-bbox="788 1117 1282 1235">No creditable content.</td><td data-bbox="1282 1117 1769 1235">To award zero marks, there must be a minimum of one ✗</td></tr> </tbody> </table>	Marks			<b>3 marks</b>	Correct answer <b>6000</b>	<b>Working and \$ sign do not matter.</b> An answer of 6 is incorrect.	<b>2 marks</b>	Correct calculation of total costs (TC) (\$34 000 – with working). <b>OR</b> Correct calculation of gross profit (\$15 000 – with working) <b>OR</b> An incorrect answer with one mistake allowing OFR for final stage.	To award two marks, there must be <ul style="list-style-type: none"> <li>• Two ✓ and a ✗</li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• One ✓, one ✗ and one <small>OR</small></li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• Two <small>OR</small> and a ✗</li> </ul>	<b>1 mark</b>	<b>One</b> of the following: <ul style="list-style-type: none"> <li>• Correct formula</li> <li>• Correct calculation of total direct costs (\$25 000)</li> </ul>	To award one mark, there must be: <ul style="list-style-type: none"> <li>• One ✓ and two ✗</li> </ul>	<b>0 marks</b>	No creditable content.	To award zero marks, there must be a minimum of one ✗	
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Question	Answer		Marks
1(b)(ii)	<p><b>Explain <u>one</u> reason why TT needs accurate cost information.</b></p>		3
	<b>AO1 Knowledge and understanding</b> <b>1 mark</b>	<b>AO2 Application</b> <b>2 marks</b>	
		<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.	
Responses may include: <b>AO1 Knowledge and understanding</b> Identification of a reason why a business needs accurate cost information <input checked="" type="checkbox"/> (max 1 mark), including: <ul style="list-style-type: none"> <li>• To calculate the total cost of production</li> <li>• To make sure a profit is made</li> <li>• To identify the profit margin</li> <li>• To identify the break even point / margin of safety / target profit level</li> <li>• To know how much finance is needed</li> <li>• To categorise costs</li> <li>• To forecast sales</li> <li>• To budget/plan</li> <li>• To set prices</li> </ul>			

Question	Answer	Marks
1(b)(ii)	<p><b>AO2 Application</b></p> <p>Explanation of a reason why a business needs accurate cost information <small>APP</small> (max 1 mark), including:</p> <ul style="list-style-type: none"> <li>• To calculate the total cost of production – to calculate profit levels</li> <li>• To make sure a profit is made – which can increase dividends</li> <li>• To identify the profit margin – to benchmark against other businesses</li> <li>• To identify the break-even point / margin of safety / target profit level – to ensure the business sells enough to cover the costs</li> <li>• To know how much finance is needed – so that a bank can see how much profit may be made</li> <li>• To categorise costs – to budget for cost centres</li> <li>• To forecast sales – to estimate the break-even level of sales</li> <li>• To budget – so that the business can plan for future expansion</li> <li>• To set prices – by knowing the total costs which need to be covered.</li> </ul> <p>Context applied to TT <small>APP</small> (max 1 mark), including:</p> <ul style="list-style-type: none"> <li>• TT has shareholders</li> <li>• Specialises in supply chain management</li> <li>• Contracts to deliver raw materials</li> <li>• To secondary and tertiary sector businesses</li> <li>• Agreed contract between TT and QZ</li> <li>• Use of Table 1.1</li> <li>• TT employs 120 drivers</li> <li>• Objective to increase sales</li> <li>• Targeting small, online retail businesses</li> <li>• Requires a new fleet of smaller trucks</li> </ul>	

Question	Answer			Marks
1(b)(ii)	<b>Exemplar and annotations</b>	Mark	Rationale	
	To set prices <input type="checkbox"/> by calculating the total costs and setting a price higher than the cost per unit <input type="checkbox"/> when delivering 5000 products for QZ <input type="checkbox"/> <small>APP</small> .	3	A reason identified, explained and in context, so all 3 marks.	
	To set budgets <input type="checkbox"/> for the 5000 QZ deliveries <input type="checkbox"/> <small>APP</small> .	2	A reason identified, but not explained. The context about QZ is fine.	
	So that TT can know how much finance it needs <input type="checkbox"/> to cover the QZ order.	1	Identification of a reason, but no explanation and the context is TV. Names are not enough for context.	
	So that TT can survive.	0	No specific reason identified.	
<ul style="list-style-type: none"> <li>• Plans to use digital promotion.</li> </ul> <p>Accept all valid responses.</p>				

Question	Answer				Marks
1(c)	<b>Analyse <u>two</u> advantages to TT of improving diversity and equality in the workplace.</b>				8
	<b>Level</b> <b>AO1 Knowledge and understanding 2 marks</b>	<b>AO2 Application 2 marks</b>	<b>AO3 Analysis 4 marks</b>		
	2		<b>3–4 marks</b> <b>Developed analysis</b> <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>		
	<b>1</b> <b>1–2 marks</b> <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>	<b>1–2 marks</b> <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>	<b>1–2 marks</b> <b>Limited analysis</b> <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 No creditable response.	0 marks No creditable response.	0 marks No creditable response.		

Question	Answer	Marks
1(c)	<p><i>Note: Annotate the first advantage in the left-hand margin and the second advantage in the right-hand margin.</i></p> <p>Responses may include:</p> <p><b>AO1 Knowledge and understanding</b></p> <p>Identification of an advantage of improving diversity and equality <small>K</small>, including:</p> <ul style="list-style-type: none"> <li>• Increase potential supply of workers</li> <li>• Reduce the chance of being sued</li> <li>• Increase motivation</li> <li>• Improve reputation/ brand image</li> <li>• Attract more diverse employees</li> <li>• Reduce labour turnover</li> </ul> <p><b>AO2 Application</b></p> <p>Application of the advantage to TT <small>APP</small>, including:</p> <ul style="list-style-type: none"> <li>• TT is a private limited company</li> <li>• Specialises in supply chain management</li> <li>• Contracts to deliver raw materials</li> <li>• To secondary and tertiary sector businesses</li> <li>• Works with one of the largest manufacturers in country J</li> <li>• Agreed contract between TT and QZ</li> <li>• Use of Table 1.1</li> <li>• TT employs 120 drivers</li> <li>• Objective to increase sales</li> <li>• Targeting small, online retail businesses</li> <li>• Requires a new fleet of smaller trucks</li> <li>• Plans to use digital promotion</li> <li>• Industry has been criticised for not having diversity and equality</li> </ul>	

Question	Answer	Marks									
1(c)	<p><b>AO3 Analysis</b></p> <ul style="list-style-type: none"> <li>Limited analysis of an advantage of improving diversity and equality to a business <small>AN</small> – developed analysis <small>DEV</small> , including:</li> <li>Increase potential supply of workers: reduce labour costs – increase profitability.</li> <li>Reduce the chance of being sued – decrease business costs – increase profit.</li> <li>Increase motivation – increase efficiency of the business – increase profitability.</li> <li>Improve reputation – increase sales / contracts – increase profit.</li> <li>Attract more diverse employees – brings new ideas into the business – increase sales / profit.</li> <li>Reduce labour turnover – reduce business costs – increase profitability.</li> </ul> <p>Accept all valid responses.</p> <p><b>Exemplar and annotations</b></p> <table border="1" data-bbox="332 700 1821 1081"> <thead> <tr> <th data-bbox="332 700 804 763">AO1 Knowledge</th><th data-bbox="804 700 1304 763">AO2 Application</th><th data-bbox="1304 700 1821 763">AO3 Analysis</th></tr> </thead> <tbody> <tr> <td data-bbox="332 763 804 906">Motivate drivers <small>K</small>,</td><td data-bbox="804 763 1304 906">as there are 120 of them <small>APP</small>,</td><td data-bbox="1304 763 1821 906">so this might lead to more productive employees <small>AN</small> leading to lower average costs <small>DEV</small>.</td></tr> <tr> <td data-bbox="332 906 804 1081">Attract better employees <small>K</small>.</td><td data-bbox="804 906 1304 1081">Which will help TT reach its objective to increase sales <small>APP</small>,</td><td data-bbox="1304 906 1821 1081">by having more skilled employees, TT can increase the number of deliveries <small>AN</small> and therefore increase the profit <small>DEV</small>.</td></tr> </tbody> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	Motivate drivers <small>K</small> ,	as there are 120 of them <small>APP</small> ,	so this might lead to more productive employees <small>AN</small> leading to lower average costs <small>DEV</small> .	Attract better employees <small>K</small> .	Which will help TT reach its objective to increase sales <small>APP</small> ,	by having more skilled employees, TT can increase the number of deliveries <small>AN</small> and therefore increase the profit <small>DEV</small> .	
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Question	Answer					Marks					
1(d)  <b>Evaluate the usefulness of digital promotion to TT when targeting small online retailers.</b>	<table border="1" data-bbox="321 195 1994 414"> <thead> <tr> <th data-bbox="332 255 467 414">Level</th><th data-bbox="467 255 736 414">AO1 Knowledge and understanding 2 marks</th><th data-bbox="736 255 1051 414">AO2 Application 2 marks</th><th data-bbox="1051 255 1320 414">AO3 Analysis 2 marks</th><th data-bbox="1320 255 1882 414">AO4 Evaluation 6 marks</th></tr> </thead> </table>					Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	12
Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks							
3				<p><b>5–6 marks</b> <b>Developed evaluation in context</b></p> <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	<p><b>2 marks</b> <b>Developed knowledge</b> of relevant key term(s) and/or factor(s) is used to answer the question.</p>	<p><b>2 marks</b> <b>Developed application</b> of relevant point(s) to the business context.</p>	<p><b>2 marks</b> <b>Developed analysis</b> that identifies connections between causes, impacts and/or consequences.</p>	<p><b>3–4 marks</b> <b>Developed evaluation</b></p> <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	<p><b>1 mark</b> <b>Limited knowledge</b> of relevant key term(s) and/or factor(s) is used to answer the question.</p>	<p><b>1 mark</b> <b>Limited application</b> of relevant point(s) to the business context.</p>	<p><b>1 mark</b> <b>Limited analysis</b> that identifies connections between causes, impacts and/or consequences.</p>	<p><b>1–2 marks</b> <b>Limited evaluation</b></p> <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	<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>	<p><b>0 marks</b> No creditable response.</p>							

Question	Answer	Marks
1(d)	<p>Responses may include:</p> <p><b>AO1 Knowledge and understanding – knowledge of digital promotion</b>      Knowledge of digital promotion <small>(K)</small> (max 2 marks), including:</p> <ul style="list-style-type: none"> <li>• Social media</li> <li>• Email</li> <li>• Using the internet /technology (marketing)</li> <li>• Online (marketing)</li> <li>• Spam</li> <li>• Influencer</li> <li>• Search engine optimisation</li> <li>• Mobile/smartphone/ app-based (marketing)</li> <li>• Viral (marketing)</li> <li>• Pay per click</li> </ul> <p><b>AO2 Application</b>      Application to TT <small>(APP)</small>, including:</p> <ul style="list-style-type: none"> <li>• TT is a private limited company</li> <li>• Specialises in supply chain management</li> <li>• Contracts to deliver raw materials</li> <li>• To secondary and tertiary sector businesses</li> <li>• Works with one of the largest manufacturers in country J</li> <li>• Agreed contract between TT and QZ</li> <li>• Use of Table 1.1</li> <li>• TT employs 120 drivers</li> <li>• Objective to increase sales</li> <li>• Requires a new fleet of smaller trucks</li> </ul>	

Question	Answer	Marks
1(d)	<p><b>AO3 Analysis</b></p> <p><b>Analysis of the usefulness of digital promotion, including</b></p> <ul style="list-style-type: none"> <li>Limited analysis of the use of digital promotion <b>AN</b> – developed analysis <b>DEV</b> , including:</li> <li>To communicate: relatively inexpensive which reduces business costs – increases profit.</li> <li>To inform: digital promotion can be very fast with messages reaching customers instantly, this is likely to increase customer knowledge of a business and increase sales – increasing profit.</li> <li>To persuade: people spend vast amounts of time on digital devices so digital promotion is likely to target these customers more than other types of promotion, increasing sales – increasing profit.</li> </ul> <p>Always on: especially with the increase in wearable technology, digital promotion increases the chances of customers seeing the promotion and being persuaded to make a purchase – increasing profit.</p> <p><b>AO4 Evaluation</b></p> <p>Limited evaluation of the usefulness of digital promotion <b>EVAL</b> – developed <b>E</b> – developed in context <b>EE</b> , including:</p> <ul style="list-style-type: none"> <li>Relative usefulness of digital promotion in targeting smaller online retailers.</li> <li>Comparison with non-digital types of promotion</li> <li>Comparison of different digital promotion methods.</li> <li>Use of digital methods may depend upon; cost of method, target market of customers for the online retailers, advances in technology (speed, influence etc.), budget available, geographical spread of market etc.</li> <li>The impact of the chosen digital promotion methods method(s) and the impact of the methods themselves.</li> <li>The likely response from competitors.</li> <li>A judgement of the most useful method of digital promotion.</li> </ul> <p>Accept all valid responses.</p>	

Question	Answer			Marks							
1(d)	<p><b>Exemplars for awarding evaluation</b></p> <p><b>Evaluate the usefulness of digital promotion to TT when targeting small online retailers.</b></p> <table border="1" data-bbox="332 346 1805 854"> <thead> <tr> <th data-bbox="343 354 653 477">L1 <small>EVAL</small> (limited supporting evidence)</th><th data-bbox="653 354 1215 477">L2 <small>E</small> (developed supporting evidence)</th><th data-bbox="1215 354 1805 477">L3 <small>EE</small> (developed supporting evidence with context)</th></tr> </thead> <tbody> <tr> <td data-bbox="343 477 653 679">Digital promotion is very useful for TT.</td><td data-bbox="653 477 1215 679">Digital promotion is very useful for TT because it is a low-cost way to change customers opinion about the business.</td><td data-bbox="1215 477 1805 679">Digital promotion is very useful for TT because it is a low-cost way to change customers opinion about the business. Low cost is important so that TT can make the new QZ contract successful.</td></tr> <tr> <td data-bbox="343 679 653 846">Digital promotion is not useful for TT.</td><td data-bbox="653 679 1215 846">Digital promotion is not useful for TT because it is more likely to be ignored by customers as spam.</td><td data-bbox="1215 679 1805 846">Digital promotion is not useful for TT because it is more likely to be ignored by customers as spam because of the newspaper criticism.</td></tr> </tbody> </table>	L1 <small>EVAL</small> (limited supporting evidence)	L2 <small>E</small> (developed supporting evidence)	L3 <small>EE</small> (developed supporting evidence with context)	Digital promotion is very useful for TT.	Digital promotion is very useful for TT because it is a low-cost way to change customers opinion about the business.	Digital promotion is very useful for TT because it is a low-cost way to change customers opinion about the business. Low cost is important so that TT can make the new QZ contract successful.	Digital promotion is not useful for TT.	Digital promotion is not useful for TT because it is more likely to be ignored by customers as spam.	Digital promotion is not useful for TT because it is more likely to be ignored by customers as spam because of the newspaper criticism.	
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Question	Answer	Marks
2(a)(i)	<p><b>Identify <u>one</u> external source of finance.</b></p> <p>Responses may include:</p> <p>Knowledge of an external source of finance:</p> <ul style="list-style-type: none"> <li>• share capital</li> <li>• debentures</li> <li>• new partners</li> <li>• venture capital</li> <li>• (bank) overdrafts</li> <li>• leasing</li> <li>• hire purchase</li> <li>• (bank) loans</li> <li>• mortgages</li> <li>• debt factoring</li> <li>• trade credit</li> <li>• micro-finance</li> <li>• crowd funding</li> <li>• government grants</li> <li>• peer to peer</li> </ul> <p>Accept all valid responses.</p>	1

Question	Answer		Marks							
2(a)(ii)	<p><b>Explain the term <i>business plan</i>.</b></p> <table border="1" data-bbox="332 282 1911 747"> <thead> <tr> <th data-bbox="332 282 1125 377">AO1 Knowledge and understanding 1 mark</th><th data-bbox="1125 282 1911 377">AO2 Application 2 marks</th></tr> </thead> <tbody> <tr> <td data-bbox="332 377 1125 509"></td><td data-bbox="1125 377 1911 509"> <b>2 marks</b>            Developed application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td data-bbox="332 509 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 1911 657"> <b>1 mark</b>            Limited application of <b>one</b> relevant point to a business context.         </td></tr> <tr> <td data-bbox="332 657 1125 747"> <b>0 marks</b>            No creditable response.         </td><td data-bbox="1125 657 1911 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>
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<b>0 marks</b> No creditable response.	<b>0 marks</b> No creditable response.									
Responses may include: <b>AO1 Knowledge and understanding</b> Knowledge of a business plan <small>K</small> , including: <ul style="list-style-type: none"> <li>formal written document containing the goals of a business.</li> <li>the methods for attaining business goals/objectives/targets etc.</li> <li>a written document that describes a business and its objectives.</li> <li>a document outlining the direction of the business and how to get there.</li> </ul> <b>AO2 Application</b> Explanation of a business plan <small>APP</small> (max 2 marks), including: <ul style="list-style-type: none"> <li>Any example of a section from a business plan (1 mark for each up to max of 2 marks); HRM plan, marketing plan, operations plan, finance plan.</li> <li>Any other relevant data which might be included in a business plan.</li> <li>Examples of potential uses of a business; gain finance, find investors etc.</li> <li>A business plan may have a specific timeframe for achieving its objectives</li> <li>May include internal and external influence data</li> </ul> Accept all valid responses.										

Question	Answer	Marks		
2(a)(ii)	<b>Exemplar and annotations</b>		Mark	Rationale
	A written document showing the objectives for the business <span style="border: 1px solid red; padding: 2px;">K</span> and the functional areas, such as Marketing <span style="border: 1px solid red; padding: 2px;">APP</span> that are involved. Business plans are often used to apply for finance <span style="border: 1px solid red; padding: 2px;">APP</span> .		3	Clear knowledge that objectives form part of the business plan. A functional area also identified, as well as a use of a business plan.
	Can be used to inform external stakeholders about the business <span style="border: 1px solid red; padding: 2px;">APP</span> . A business plan can be created for a specific time period, such as 5 years <span style="border: 1px solid red; padding: 2px;">APP</span> . It is the details about the business and its environment <span style="border: 1px solid red; padding: 2px;">K</span>		3	Some idea of what is in a business plan (details and environment), and a use of a plan. Also the time period.
	A document outlining what the business does <span style="border: 1px solid red; padding: 2px;">K</span> for a specific time period <span style="border: 1px solid red; padding: 2px;">APP</span> .		2	Knowledge of what is in a business plan and time period.
	A future plan for how a business will achieve its objectives <span style="border: 1px solid red; padding: 2px;">K</span> .		1	Clear knowledge.
	A plan of the business for the future <span style="border: 1px solid red; padding: 2px;">TV</span> .		0	Tautology – candidates need to show they know what ‘business’ and ‘plan’ mean.
A forecast of the sales made by a business. <span style="border: 1px solid red; padding: 2px;">TV</span>	0	No understanding of a business plan.		

Question	Answer	Marks
2(b)(i)	<p><b>Refer to Fig 2.1 and other information. Calculate the total payment to the social media influencer in February.</b></p> <p><b>Formula:</b>  <math>\text{Total payment} = \text{salary} + \text{commission } (\% \text{ of sales}) \quad (1)</math></p> <p><b>OR</b>          Correct calculation of revenue that comes directly from the influencer in Feb  <math>= \text{Total sales in four weeks} - \\$4000 + \\$3000 + \\$500 + \\$3000 = \\$10\,500 \quad (1)</math></p> <p><b>OR</b>          Correct calculation of total salary for influencer for Feb = <math>\\$250 + \\$250 + \\$250 + \\$250 = \\$1000 \quad (1)</math></p> <p><b>Calculation:</b></p> <p><math>5\% \text{ of } \\$10\,500 = \\$525 \quad (1)</math></p> <p><math>\text{Total payment} = \\$1000 \text{ (salary)} + \\$525 \text{ (commission)} = \\$1525 \quad (1 - \text{OFR applies})</math></p> <p><b>Ans = \\$1525 (3 marks)</b></p>	

Question	Answer		Marks															
2(b)(i)	<p><b>Exemplar and annotations</b></p> <table border="1" data-bbox="332 282 1915 1194"> <thead> <tr> <th data-bbox="343 290 478 346">Marks</th><th data-bbox="478 290 1208 346"></th><th data-bbox="1208 290 1915 346"></th></tr> </thead> <tbody> <tr> <td data-bbox="343 346 478 441">3 marks</td><td data-bbox="478 346 1208 441">Correct answer <b>\$1525</b></td><td data-bbox="1208 346 1915 441"><b>Working and sign do not matter.</b> \$</td></tr> <tr> <td data-bbox="343 441 478 854">2 marks</td><td data-bbox="478 441 1208 854"> <p>Correct calculation of commission based on total revenue that comes directly from the influencer in Feb (\$525)</p> <p><b>OR</b> An incorrect answer with one mistake allowing OFR for final stage.</p> <p><b>OR</b> An answer that misses out the commission (\$11 500 with working)</p> </td><td data-bbox="1208 441 1915 854"> <p>To award two marks, there must be</p> <ul style="list-style-type: none"> <li>Two ✓ and a ✗</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>One ✓, one ✗ and one <span style="border: 1px solid red; padding: 2px;">OFR</span></li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>Two <span style="border: 1px solid red; padding: 2px;">OFR</span> and a ✗</li> </ul> </td></tr> <tr> <td data-bbox="343 854 478 1092">1 mark</td><td data-bbox="478 854 1208 1092"> <p><b>One</b> of the following:</p> <ul style="list-style-type: none"> <li>Correct formula</li> <li>Correct calculation of total revenue that comes directly from the influencer in Feb (\$10 500).</li> <li>Correct calculation of total salary for FEB (\$1000).</li> </ul> </td><td data-bbox="1208 854 1915 1092"> <p>To award one mark, there must be:</p> <ul style="list-style-type: none"> <li>One ✓ and two ✗</li> </ul> </td></tr> <tr> <td data-bbox="343 1092 478 1194">0 marks</td><td data-bbox="478 1092 1208 1194">No creditable content.</td><td data-bbox="1208 1092 1915 1194">To award zero marks, there must be a minimum of one ✗</td><td data-bbox="1915 1092 2068 1194"></td></tr> </tbody> </table>	Marks			3 marks	Correct answer <b>\$1525</b>	<b>Working and sign do not matter.</b> \$	2 marks	<p>Correct calculation of commission based on total revenue that comes directly from the influencer in Feb (\$525)</p> <p><b>OR</b> An incorrect answer with one mistake allowing OFR for final stage.</p> <p><b>OR</b> An answer that misses out the commission (\$11 500 with working)</p>	<p>To award two marks, there must be</p> <ul style="list-style-type: none"> <li>Two ✓ and a ✗</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>One ✓, one ✗ and one <span style="border: 1px solid red; padding: 2px;">OFR</span></li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>Two <span style="border: 1px solid red; padding: 2px;">OFR</span> and a ✗</li> </ul>	1 mark	<p><b>One</b> of the following:</p> <ul style="list-style-type: none"> <li>Correct formula</li> <li>Correct calculation of total revenue that comes directly from the influencer in Feb (\$10 500).</li> <li>Correct calculation of total salary for FEB (\$1000).</li> </ul>	<p>To award one mark, there must be:</p> <ul style="list-style-type: none"> <li>One ✓ and two ✗</li> </ul>	0 marks	No creditable content.	To award zero marks, there must be a minimum of one ✗		
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3 marks	Correct answer <b>\$1525</b>	<b>Working and sign do not matter.</b> \$																
2 marks	<p>Correct calculation of commission based on total revenue that comes directly from the influencer in Feb (\$525)</p> <p><b>OR</b> An incorrect answer with one mistake allowing OFR for final stage.</p> <p><b>OR</b> An answer that misses out the commission (\$11 500 with working)</p>	<p>To award two marks, there must be</p> <ul style="list-style-type: none"> <li>Two ✓ and a ✗</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>One ✓, one ✗ and one <span style="border: 1px solid red; padding: 2px;">OFR</span></li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>Two <span style="border: 1px solid red; padding: 2px;">OFR</span> and a ✗</li> </ul>																
1 mark	<p><b>One</b> of the following:</p> <ul style="list-style-type: none"> <li>Correct formula</li> <li>Correct calculation of total revenue that comes directly from the influencer in Feb (\$10 500).</li> <li>Correct calculation of total salary for FEB (\$1000).</li> </ul>	<p>To award one mark, there must be:</p> <ul style="list-style-type: none"> <li>One ✓ and two ✗</li> </ul>																
0 marks	No creditable content.	To award zero marks, there must be a minimum of one ✗																

Question	Answer		Marks								
2(b)(ii)	<p><b>Explain <u>one</u> disadvantage to Kaia of using a commission payment method.</b></p> <table border="1" data-bbox="332 282 1915 740"> <thead> <tr> <th data-bbox="332 282 1125 377">AO1 Knowledge and understanding 1 mark</th><th data-bbox="1125 282 1915 377">AO2 Application 2 marks</th></tr> </thead> <tbody> <tr> <td data-bbox="332 377 1125 504"></td><td data-bbox="1125 377 1915 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 1125 663"> <b>1 mark</b>            Knowledge of <b>one</b> relevant point is used to answer the question.         </td><td data-bbox="1125 504 1915 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 1125 740"> <b>0 marks</b>            No creditable response.         </td><td data-bbox="1125 663 1915 740"> <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>	
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	<p>Responses may include:</p> <p><b>AO1 Knowledge and understanding</b>            Knowledge of a disadvantage of using commission <span style="border: 1px solid red; padding: 0 2px;">K</span> (max 1 mark), including</p> <ul style="list-style-type: none"> <li>• Increases business costs</li> <li>• Reduces profit/ profit margin</li> <li>• Difficult to predict / forecast</li> <li>• May lead to aggressive sales techniques</li> <li>• May cause anxiety/stress/demotivation (for the employee)</li> <li>• May prioritise short-term gains, over long-term business objectives</li> <li>• May be difficult to recruit new workers</li> <li>• May cause employees to compete with one another</li> <li>• Paid from revenue, not profit (may need to be paid even if PB does not make a profit)</li> </ul> <p><b>AO2 Application</b>            Explanation of a disadvantage of using commission payment method <span style="border: 1px solid red; padding: 0 2px;">APP</span> (max 1 mark), including:</p> <ul style="list-style-type: none"> <li>• Increases business costs – as the business increases revenue, commission also increases</li> <li>• Difficult to predict / forecast – which can mean that PB may not be able to calculate the break-even point</li> <li>• May lead to aggressive sales techniques – as salespeople push to increase their own income</li> </ul>										

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2(b)(ii)	<ul style="list-style-type: none"> <li>May cause anxiety/stress (for the employee) – leading to lower motivation</li> <li>May prioritise short-term gains, over long-term business objectives – as employees focus on increasing short term revenue and not profit margins</li> <li>May be difficult to recruit new workers – because of the uncertainty of their likely income</li> <li>May cause employees to compete with one another – and work towards their own utility, not the good of the business</li> <li>Paid from revenue, not profit – so may need to be paid even if PB does not make a profit</li> </ul> <p>Context applied to PB <small>APP</small> (max 1 mark), including:</p> <ul style="list-style-type: none"> <li>5% commission on direct sales</li> <li>ORF from Q2(b)(i)</li> <li>Social media influencer gets a salary as well (\$250 a week)</li> <li>Use of data in chart 2.1</li> </ul> <table border="1" data-bbox="332 647 1915 1354"> <thead> <tr> <th data-bbox="343 655 1073 708">Exemplar and annotations</th><th data-bbox="1073 655 1170 708">Mark</th><th data-bbox="1170 655 1915 708">Rationale</th></tr> </thead> <tbody> <tr> <td data-bbox="343 708 1073 827">A commission adds to PBs costs <small>K</small> which can reduce the profit available <small>APP</small> to relocate PB to larger premises <small>APP</small>.</td><td data-bbox="1073 708 1170 827">3</td><td data-bbox="1170 708 1915 827">A disadvantage identified and explained with context.</td></tr> <tr> <td data-bbox="343 827 1073 962">It may lead to competition between workers <small>K</small> which could lead to demotivated employees <small>APP</small> reducing the \$10 500 revenue from the influencer <small>APP</small>.</td><td data-bbox="1073 827 1170 962">3</td><td data-bbox="1170 827 1915 962">A disadvantage, which is explained and context used.</td></tr> <tr> <td data-bbox="343 962 1073 1105">May be difficult to recruit new influencers <small>K</small> if 5% commission seems low. <small>APP</small></td><td data-bbox="1073 962 1170 1105">2</td><td data-bbox="1170 962 1915 1105">A disadvantage and context. However the disadvantaged is not explained as to how/why recruitment may be more difficult based on commission.</td></tr> <tr> <td data-bbox="343 1105 1073 1248">Reduce profit <small>K</small>, and may demotivate the employees.</td><td data-bbox="1073 1105 1170 1248">1</td><td data-bbox="1170 1105 1915 1248">There are two pieces of knowledge here, but they are not linked (ie the candidate has not stated that there is less profit because of the demotivation). Only K so max 1 mark.</td></tr> <tr> <td data-bbox="343 1248 1073 1354">Paying a 5% commission means that for every \$1 of revenue the influencer sells, they get \$0.05.</td><td data-bbox="1073 1248 1170 1354">0</td><td data-bbox="1170 1248 1915 1354">There is no knowledge of a disadvantage of using commission.</td></tr> </tbody> </table> <p>Accept all valid responses.</p>	Exemplar and annotations	Mark	Rationale	A commission adds to PBs costs <small>K</small> which can reduce the profit available <small>APP</small> to relocate PB to larger premises <small>APP</small> .	3	A disadvantage identified and explained with context.	It may lead to competition between workers <small>K</small> which could lead to demotivated employees <small>APP</small> reducing the \$10 500 revenue from the influencer <small>APP</small> .	3	A disadvantage, which is explained and context used.	May be difficult to recruit new influencers <small>K</small> if 5% commission seems low. <small>APP</small>	2	A disadvantage and context. However the disadvantaged is not explained as to how/why recruitment may be more difficult based on commission.	Reduce profit <small>K</small> , and may demotivate the employees.	1	There are two pieces of knowledge here, but they are not linked (ie the candidate has not stated that there is less profit because of the demotivation). Only K so max 1 mark.	Paying a 5% commission means that for every \$1 of revenue the influencer sells, they get \$0.05.	0	There is no knowledge of a disadvantage of using commission.	
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2(c)	<b>Analyse <u>one</u> advantage and <u>one</u> disadvantage to Kaia of using job production.</b>				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>	
<p><i>Note: Annotate the first advantage in the left-hand margin and the first disadvantage in the right-hand margin.</i></p>					

Question	Answer	Marks
2(c)	<p>Responses may include:</p> <p><b>AO1 Knowledge and understanding</b></p> <p>Knowledge of an advantage of using job production <span style="border: 1px solid red; padding: 0 2px;">K</span> (max 1 mark), including:</p> <ul style="list-style-type: none"> <li>• High quality</li> <li>• High price</li> <li>• Flexibility</li> <li>• Customisation / customer satisfaction</li> <li>• All finished products are sold</li> </ul> <p>Knowledge of a disadvantage of using job production <span style="border: 1px solid red; padding: 0 2px;">K</span> (max 1 mark), including:</p> <ul style="list-style-type: none"> <li>• High production costs</li> <li>• Long lead time</li> <li>• Requires specialist equipment</li> </ul> <p><b>AO2 Application</b></p> <p>Application of an advantage or disadvantage to PB <span style="border: 1px solid red; padding: 0 2px;">APP</span>, including:</p> <ul style="list-style-type: none"> <li>• Kaia has a university degree in textile designs</li> <li>• Kaia thinks she has entrepreneurial qualities</li> <li>• Sole trader</li> <li>• Current objective to break even</li> <li>• Blankets personalised with a picture</li> <li>• Picture supplied by customer</li> <li>• Customers design their own blanket (customisable size and picture)</li> <li>• Many customers buy the blankets as gifts for special occasions (birthdays, holidays etc.)</li> <li>• Being promoted by a social media influencer</li> <li>• Use of data in Chart 2.1</li> </ul> <p><b>AO3 Analysis</b></p> <p>Limited analysis of an advantage of job production <span style="border: 1px solid red; padding: 0 2px;">AN</span> – developed analysis <span style="border: 1px solid red; padding: 0 2px;">DEV</span>, including:</p> <ul style="list-style-type: none"> <li>• High quality: increases customer satisfaction and leads to sales – increases profit.</li> <li>• Customisation / customer satisfaction; likely to lead to increased sales – increased profit.</li> <li>• All finished products are sold; more likely to have costs lower than revenue – increased profitability.</li> </ul>	

Question	Answer	Marks									
2(c)	<p>Limited analysis of a disadvantage of job production <b>AN</b> – developed analysis <b>DEV</b> , including:</p> <ul style="list-style-type: none"> <li>• High production costs: may need to increase price to cover costs – less chance to break even and make a profit.</li> <li>• Long lead time; may irritate customers leading to bad reviews – lower sales and profit.</li> <li>• Requires specialist equipment; may need to purchase expensive capital equipment increasing costs – reducing profitability.</li> </ul> <p>Accept all valid responses.</p> <p><b>Exemplars and annotations</b></p> <table border="1" data-bbox="332 562 1918 874"> <thead> <tr> <th data-bbox="332 562 848 625">AO1 Knowledge</th><th data-bbox="848 562 1394 625">AO2 Application</th><th data-bbox="1394 562 1918 625">AO3 Analysis</th></tr> </thead> <tbody> <tr> <td data-bbox="332 625 848 727">Higher prices <b>K</b>,</td><td data-bbox="848 625 1394 727">For individual blankets that are personalised with a picture <b>APP</b> .</td><td data-bbox="1394 625 1918 727">This is likely to lead to higher revenue <b>AN</b> leading to higher profit <b>DEV</b> .</td></tr> <tr> <td data-bbox="332 727 848 874">Takes longer to produce <b>K</b>.</td><td data-bbox="848 727 1394 874">Which may be an issue if customers are purchasing for a special occasion, like a birthday <b>APP</b> ,</td><td data-bbox="1394 727 1918 874">So, customers may go to a different business, reducing PBs revenue <b>AN</b> and therefore decrease the profit <b>DEV</b> .</td></tr> </tbody> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	Higher prices <b>K</b> ,	For individual blankets that are personalised with a picture <b>APP</b> .	This is likely to lead to higher revenue <b>AN</b> leading to higher profit <b>DEV</b> .	Takes longer to produce <b>K</b> .	Which may be an issue if customers are purchasing for a special occasion, like a birthday <b>APP</b> ,	So, customers may go to a different business, reducing PBs revenue <b>AN</b> and therefore decrease the profit <b>DEV</b> .	
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2(d)  <b>Evaluate the most likely reason for Kaia's objectives to change over the next five years.</b>	<table border="1" data-bbox="332 274 1922 1359"> <thead> <tr> <th data-bbox="343 282 444 409">Level</th><th data-bbox="444 282 736 409">AO1 Knowledge and understanding 2 marks</th><th data-bbox="736 282 1073 409">AO2 Application 2 marks</th><th data-bbox="1073 282 1354 409">AO3 Analysis 2 marks</th><th data-bbox="1354 282 1911 409">AO4 Evaluation 6 marks</th></tr> </thead> <tbody> <tr> <td data-bbox="343 409 444 687">3</td><td data-bbox="444 409 736 687"></td><td data-bbox="736 409 1073 687"></td><td data-bbox="1073 409 1354 687"></td><td data-bbox="1354 409 1911 687"> <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> </td></tr> <tr> <td data-bbox="343 687 444 949">2</td><td data-bbox="444 687 736 949"> <b>2 marks</b>  <b>Developed knowledge</b> of relevant key term(s) and/or factor(s) is used to answer the question.         </td><td data-bbox="736 687 1073 949"> <b>2 marks</b>  <b>Developed application</b> of relevant point(s) to the business context.         </td><td data-bbox="1073 687 1354 949"> <b>2 marks</b>  <b>Developed analysis</b> that identifies connections between causes, impacts and/or consequences.         </td><td data-bbox="1354 687 1911 949"> <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> </td></tr> <tr> <td data-bbox="343 949 444 1227">1</td><td data-bbox="444 949 736 1227"> <b>1 mark</b>  <b>Limited knowledge</b> of relevant key term(s) and/or factor(s) is used to answer the question.         </td><td data-bbox="736 949 1073 1227"> <b>1 mark</b>  <b>Limited application</b> of relevant point(s) to the business context.         </td><td data-bbox="1073 949 1354 1227"> <b>1 mark</b>  <b>Limited analysis</b> that identifies connections between causes, impacts and/or consequences.         </td><td data-bbox="1354 949 1911 1227"> <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> </td></tr> <tr> <td data-bbox="343 1227 444 1359">0</td><td data-bbox="444 1227 736 1359"> <b>0 marks</b>            No creditable response.         </td><td data-bbox="736 1227 1073 1359"> <b>0 marks</b>            No creditable response.         </td><td data-bbox="1073 1227 1354 1359"> <b>0 marks</b>            No creditable response.         </td><td data-bbox="1354 1227 1911 1359"> <b>0 marks</b>            No creditable response.         </td></tr> </tbody> </table>	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.	12			
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2(d)	<p>Responses may include:</p> <p><b>AO1 Knowledge and understanding</b></p> <p>Knowledge of why business objectives may change over time <small>AN</small> (max 1 mark), including:</p> <ul style="list-style-type: none"> <li>As the business grows</li> <li>If the previous objective has been met</li> <li>As the business declines</li> <li>As the business maintains</li> <li>As the market changes</li> <li>As competitors act / react</li> <li>When aims / vision / mission changes</li> <li>As the business environment changes (not required at AS level, but rewarded) – SLEEPS</li> </ul> <p><b>AO2 Application</b></p> <p>Application to PB <small>APP</small> (max 2 marks), including:</p> <ul style="list-style-type: none"> <li>Kaia has a university degree in textile designs</li> <li>Kaia thinks she has entrepreneurial qualities</li> <li>Sole trader</li> <li>Current objective to break even</li> <li>Blankets personalised with a picture</li> <li>Picture supplied by customer</li> <li>Customers design their own blanket (customisable size and picture)</li> <li>Many customers buy the blankets as gifts for special occasions (birthdays, holidays etc.)</li> <li>Being promoted by a social media influencer</li> <li>Use of data in Chart 2.1</li> <li>Thinking of relocating PB</li> </ul> <p><b>AO3 Analysis</b></p> <p>Limited analysis of <b>how</b> the objectives change <small>AN</small> – developed analysis <small>DEV</small>, including:</p> <ul style="list-style-type: none"> <li>As the business grows; objectives may change to profit maximisation – so that the owners can start to receive an income for their risk.</li> <li>As the business declines, objectives may change to survival – and the business may reduce prices in an effort to gain a new market of customers.</li> </ul>	

Question	Answer	Marks
2(d)	<ul style="list-style-type: none"> <li>As the business maintains; the business owner may decide not to continue the business – leading to trying to recover as much of the capital invested as possible.</li> <li>As the market changes, the business will need to adapt to the changing market, perhaps by making significant changes to the type of product being sold or doing some expensive market research into the new customer preferences – leading to an increase in costs and a reduction in profitability.</li> <li>As competitors act / react; the business may become a price taker and change their marketing mix – so that they can maintain and grow their market share.</li> <li>When aims / vision / mission changes; if the owner decides to change the mission of the business, then all the functions of the business may also need to be changed. For example, buying new capital items that allow it to make a different product – leading to an increase in business costs and reduced profit.</li> <li>As the business environment changes (not required at AS level, but rewarded); for example, if the economy goes into recession, then luxury items may not be demanded, reducing customers – leading to a decrease in sales revenue and profit.</li> </ul> <p><b>AO4 Evaluation</b></p> <p>Limited valuation of the most likely reason why objectives may change <span style="border: 1px solid red; padding: 2px;">EVAL</span> – developed <span style="border: 1px solid red; padding: 2px;">E</span> – developed in context <span style="border: 1px solid red; padding: 2px;">EE</span> , including:</p> <ul style="list-style-type: none"> <li>A judgement of the most likely reason for Kaia's objectives to change over the next five years.</li> <li>What the judgement may depend upon; the owners desire to continue / grow the business, the market research, dynamism of the market, competitors' actions / reactions etc.</li> <li>Kaia has only just started the PB, so the objectives may change significantly over the next five years. Does she have the knowledge / research / experience to judge how the objectives might change over such a long period of time?</li> <li>To what extent is PB in a growing or declining market and how many of her customers choose to repeat purchase?</li> <li>Kaia's own objectives – she thinks she has entrepreneurial qualities, so will she be looking at new products / business ideas over the next five years, which may mean that PB might not even exist, or be in a very different format to what it is today. Is it sensible to try and plan for five years with such limited experience?</li> <li>A judgement about likeliness of the business objectives needing to change over five years.</li> </ul> <p>Accept all valid responses.</p>	

Question	Answer			Marks
2(d)	<b>Exemplars for awarding evaluation</b>			
	<b>L1</b> <small>EVAL</small> (limited supporting evidence)	<b>L2</b> <small>E</small> (developed supporting evidence)	<b>L3</b> <small>EE</small> (developed supporting evidence with context)	
	The most likely reason is because PB has reached its previous objective.	The most likely reason is because PB has reached its previous objective. This means that Kaia will need a new objective, such as profit maximisation.	The most likely reason is because PB has reached its previous objective, to break even. This means that Kaia will need a new objective, such as profit maximisation.	
	It depends on her personal objectives.	It depends on her personal objectives, because she is the owner, the objectives will need to change to adapt to her needs.	It depends on her personal objectives, because she is a sole trader, the objectives will need to change to adapt to her needs.	