

---

**BUSINESS**

**9609/23**

Paper 2 Data Response

**October/November 2019**

MARK SCHEME

Maximum Mark: 60

---

**Published**

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

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

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

Cambridge International is publishing the mark schemes for the October/November 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

---

This document consists of **18** printed pages.

**Generic Marking Principles**

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

**GENERIC MARKING PRINCIPLE 1:**

Marks must be awarded in line with:

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

**GENERIC MARKING PRINCIPLE 2:**

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

**GENERIC MARKING PRINCIPLE 3:**

Marks must be awarded **positively**:

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

**GENERIC MARKING PRINCIPLE 4:**

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

**GENERIC MARKING PRINCIPLE 5:**

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

**GENERIC MARKING PRINCIPLE 6:**

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

Question	Answer	Marks																										
1(a)(i)	<p data-bbox="316 248 963 282"><b>Define the term ‘secondary research’ (line 20).</b></p> <table border="1" data-bbox="316 315 1313 573"> <thead> <tr> <th data-bbox="316 315 1114 378">Knowledge and Application</th> <th data-bbox="1114 315 1313 378">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 378 1114 443">A correct definition</td> <td data-bbox="1114 378 1313 443">2</td> </tr> <tr> <td data-bbox="316 443 1114 508">A partial, vague or unfocused definition</td> <td data-bbox="1114 443 1313 508">1</td> </tr> <tr> <td data-bbox="316 508 1114 573">No creditable content</td> <td data-bbox="1114 508 1313 573">0</td> </tr> </tbody> </table> <p data-bbox="316 611 1214 712"><b>Content:</b> Existing data (1) which has already been gathered and organised for another purpose(1)</p> <p data-bbox="316 745 703 779"><b>No examples to be credited</b></p> <p data-bbox="316 813 384 846"><b>ARA</b></p> <table border="1" data-bbox="316 880 1313 1335"> <thead> <tr> <th data-bbox="316 880 890 943">Exemplar</th> <th data-bbox="890 880 1002 943">Mark</th> <th data-bbox="1002 880 1313 943">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 943 890 1043">Using existing data (1) Collected for another purpose/reason (1)</td> <td data-bbox="890 943 1002 1043">2</td> <td data-bbox="1002 943 1313 1043">Two separate defined points</td> </tr> <tr> <td data-bbox="316 1043 890 1144">already gathered (1) for another purpose (1)</td> <td data-bbox="890 1043 1002 1144">2</td> <td data-bbox="1002 1043 1313 1144">Two separate defined points</td> </tr> <tr> <td data-bbox="316 1144 890 1209">Gathered by another business</td> <td data-bbox="890 1144 1002 1209">1</td> <td data-bbox="1002 1144 1313 1209">One element only</td> </tr> <tr> <td data-bbox="316 1209 890 1274">Using existing data</td> <td data-bbox="890 1209 1002 1274">1</td> <td data-bbox="1002 1209 1313 1274">One element only</td> </tr> <tr> <td data-bbox="316 1274 890 1335">Second hand research/data</td> <td data-bbox="890 1274 1002 1335">0</td> <td data-bbox="1002 1274 1313 1335">Tautological</td> </tr> </tbody> </table>	Knowledge and Application	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Mark	Rationale	Using existing data (1) Collected for another purpose/reason (1)	2	Two separate defined points	already gathered (1) for another purpose (1)	2	Two separate defined points	Gathered by another business	1	One element only	Using existing data	1	One element only	Second hand research/data	0	Tautological	2
Knowledge and Application	Marks																											
A correct definition	2																											
A partial, vague or unfocused definition	1																											
No creditable content	0																											
Exemplar	Mark	Rationale																										
Using existing data (1) Collected for another purpose/reason (1)	2	Two separate defined points																										
already gathered (1) for another purpose (1)	2	Two separate defined points																										
Gathered by another business	1	One element only																										
Using existing data	1	One element only																										
Second hand research/data	0	Tautological																										

Question	Answer	Marks																																	
1(a)(ii)	<p><b>Explain the ‘buffer inventory control method’ of managing inventory (lines 5–6).</b></p> <table border="1" data-bbox="316 344 1310 739"> <thead> <tr> <th></th> <th>Knowledge and Application</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C *</td> <td>E.g. or some other way of showing good understanding; variations in supply, demand and/or production</td> <td>1</td> </tr> <tr> <td>B</td> <td>For unanticipated/unexpected/unplanned situations</td> <td>1</td> </tr> <tr> <td>A</td> <td>Excess stock/safety margin of stock kept</td> <td>1</td> </tr> <tr> <td></td> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p>* use cannot be credited without explanation of the term (A and B)</p> <p><b>Content:</b></p> <p>Keeping safety stock, (A) extra stock that is maintained to reduce the risk of a shortfall in components (B) due to uncertainties in supply and demand. (C)</p> <table border="1" data-bbox="316 974 1310 1736"> <thead> <tr> <th>Exemplar</th> <th>Mark</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>a level of excess stock that is maintained (A) to reduce the risk of a shortfall in components (B) due to uncertainties in supply and demand (C)</td> <td>3</td> <td>A,B and C visible</td> </tr> <tr> <td>Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B) to ensure that the firm can produce enough product for orders (C)</td> <td>3</td> <td>A,B and C visible</td> </tr> <tr> <td>Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B)</td> <td>2</td> <td>A and B only –No example or understanding</td> </tr> <tr> <td>a level of extra stock that is maintained (A)</td> <td>1</td> <td>A only</td> </tr> <tr> <td>Stock you don’t need to use</td> <td>0</td> <td>Too vague</td> </tr> </tbody> </table>		Knowledge and Application	Marks	C *	E.g. or some other way of showing good understanding; variations in supply, demand and/or production	1	B	For unanticipated/unexpected/unplanned situations	1	A	Excess stock/safety margin of stock kept	1		No creditable content	0	Exemplar	Mark	Rationale	a level of excess stock that is maintained (A) to reduce the risk of a shortfall in components (B) due to uncertainties in supply and demand (C)	3	A,B and C visible	Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B) to ensure that the firm can produce enough product for orders (C)	3	A,B and C visible	Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B)	2	A and B only –No example or understanding	a level of extra stock that is maintained (A)	1	A only	Stock you don’t need to use	0	Too vague	3
	Knowledge and Application	Marks																																	
C *	E.g. or some other way of showing good understanding; variations in supply, demand and/or production	1																																	
B	For unanticipated/unexpected/unplanned situations	1																																	
A	Excess stock/safety margin of stock kept	1																																	
	No creditable content	0																																	
Exemplar	Mark	Rationale																																	
a level of excess stock that is maintained (A) to reduce the risk of a shortfall in components (B) due to uncertainties in supply and demand (C)	3	A,B and C visible																																	
Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B) to ensure that the firm can produce enough product for orders (C)	3	A,B and C visible																																	
Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B)	2	A and B only –No example or understanding																																	
a level of extra stock that is maintained (A)	1	A only																																	
Stock you don’t need to use	0	Too vague																																	

Question	Answer	Marks																												
1(b)(i)	<p data-bbox="316 248 1262 315"><b>Refer to Table 1.1. Calculate the forecast gross profit margin on the retail sale of bicycles.</b></p> <table border="1" data-bbox="316 349 1313 707"> <thead> <tr> <th data-bbox="316 349 1023 414">Rationale</th> <th data-bbox="1023 349 1313 414">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 414 1023 479">Correct answer</td> <td data-bbox="1023 414 1313 479">3</td> </tr> <tr> <td data-bbox="316 479 1023 544">Formula and data used correctly (based on OFR)</td> <td data-bbox="1023 479 1313 544">2</td> </tr> <tr> <td data-bbox="316 544 1023 645">Attempt (e.g. formula or identifies data) or correctly calculated gross profit (\$180)</td> <td data-bbox="1023 544 1313 645">1</td> </tr> <tr> <td data-bbox="316 645 1023 707">No creditable content</td> <td data-bbox="1023 645 1313 707">0</td> </tr> </tbody> </table> <p data-bbox="316 745 368 775">e.g.</p> <p data-bbox="316 779 1313 857">formula: <math>\frac{(\text{Revenue} - \text{cost of goods sold})}{\text{Revenue}} \times 100</math> (1 mark)</p> <p data-bbox="316 891 584 925">\$300 – \$120 = \$180</p> <p data-bbox="316 958 1313 1037"><math>\frac{\\$180}{300} (\times 100)</math> (2 marks)</p> <p data-bbox="316 1070 1313 1104">= 60% (with or without working and % (3 marks)</p> <p data-bbox="316 1144 576 1178"><b>Exemplar answers</b></p> <table border="1" data-bbox="316 1211 1313 1603"> <thead> <tr> <th data-bbox="316 1211 719 1276">Answer</th> <th data-bbox="719 1211 874 1276">Mark</th> <th data-bbox="874 1211 1313 1276">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 1276 719 1341">60 (%)</td> <td data-bbox="719 1276 874 1341">3</td> <td data-bbox="874 1276 1313 1341">Correct answer</td> </tr> <tr> <td data-bbox="316 1341 719 1406">0.6</td> <td data-bbox="719 1341 874 1406">2</td> <td data-bbox="874 1341 1313 1406">1 ,mistake – no <math>\times 100</math></td> </tr> <tr> <td data-bbox="316 1406 719 1471">(180/300)*100</td> <td data-bbox="719 1406 874 1471">2</td> <td data-bbox="874 1406 1313 1471">Correct use of figures</td> </tr> <tr> <td data-bbox="316 1471 719 1536">(rev-COGS)/rev <math>\times 100</math></td> <td data-bbox="719 1471 874 1536">1</td> <td data-bbox="874 1471 1313 1536">Formula</td> </tr> <tr> <td data-bbox="316 1536 719 1603">Gross profit/revenue <math>\times 100</math></td> <td data-bbox="719 1536 874 1603">1</td> <td data-bbox="874 1536 1313 1603">Correct formula</td> </tr> </tbody> </table>	Rationale	Marks	Correct answer	3	Formula and data used correctly (based on OFR)	2	Attempt (e.g. formula or identifies data) or correctly calculated gross profit (\$180)	1	No creditable content	0	Answer	Mark	Rationale	60 (%)	3	Correct answer	0.6	2	1 ,mistake – no $\times 100$	(180/300)*100	2	Correct use of figures	(rev-COGS)/rev $\times 100$	1	Formula	Gross profit/revenue $\times 100$	1	Correct formula	3
Rationale	Marks																													
Correct answer	3																													
Formula and data used correctly (based on OFR)	2																													
Attempt (e.g. formula or identifies data) or correctly calculated gross profit (\$180)	1																													
No creditable content	0																													
Answer	Mark	Rationale																												
60 (%)	3	Correct answer																												
0.6	2	1 ,mistake – no $\times 100$																												
(180/300)*100	2	Correct use of figures																												
(rev-COGS)/rev $\times 100$	1	Formula																												
Gross profit/revenue $\times 100$	1	Correct formula																												

Question	Answer		Marks															
1(b)(ii)	<b>Explain <u>one</u> function of John’s role as an operations manager.</b>		<b>3</b>															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="312 304 432 369">Level</th> <th data-bbox="437 304 1123 369">Knowledge and Application</th> <th data-bbox="1128 304 1318 369">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 376 432 472" style="text-align: center;">2 APP</td> <td data-bbox="437 376 1123 472">Explanation of an Operations management function in context</td> <td data-bbox="1128 376 1318 472" style="text-align: center;">3</td> </tr> <tr> <td data-bbox="312 479 432 575" style="text-align: center;">1b K+K</td> <td data-bbox="437 479 1123 575">Explanation of a management function</td> <td data-bbox="1128 479 1318 575" style="text-align: center;">2</td> </tr> <tr> <td data-bbox="312 582 432 678" style="text-align: center;">1a K</td> <td data-bbox="437 582 1123 678">Identification of a management function</td> <td data-bbox="1128 582 1318 678" style="text-align: center;">1</td> </tr> <tr> <td data-bbox="312 685 432 736" style="text-align: center;">0</td> <td data-bbox="437 685 1123 736">No creditable content</td> <td data-bbox="1128 685 1318 736" style="text-align: center;">0</td> </tr> </tbody> </table>				Level	Knowledge and Application	Marks	2 APP	Explanation of an Operations management function in context	3	1b K+K	Explanation of a management function	2	1a K	Identification of a management function	1	0	No creditable content	0
Level	Knowledge and Application	Marks																
2 APP	Explanation of an Operations management function in context	3																
1b K+K	Explanation of a management function	2																
1a K	Identification of a management function	1																
0	No creditable content	0																
<p><b>Content</b></p>																		
<ul style="list-style-type: none"> <li>• May mention one of Mintzberg’s functions of management (Figurehead, Leader, Liaison Monitor, Disseminator, Spokesperson, Entrepreneur, Disturbance Handler, Resource Allocator, Negotiator) but for context mark must refer to operations.</li> <li>• Operations manager functions such as producing the right amount of a good or service, at the right time, of the right quality and at the right cost to meet customer requirements.</li> </ul>																		
<p><b>ARA</b></p>																		
<p><b>Example of how responses should be marked</b></p>																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="312 1245 647 1352" style="width: 33%;">Identification of a function (1 mark)</th> <th data-bbox="652 1245 987 1352" style="width: 33%;">Explanation of a function (+1 mark)</th> <th data-bbox="992 1245 1318 1352" style="width: 33%;">Explanation of a function in context (+1 mark)</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 1359 647 1451">Any one of Mintzbergs functions e.g. leader</td> <td data-bbox="652 1359 987 1451">motivating the employees</td> <td data-bbox="992 1359 1318 1451">Such as the salaried sales staff</td> </tr> <tr> <td data-bbox="312 1458 647 1585">Ensuring stock control / inventory levels</td> <td data-bbox="652 1458 987 1585">To ensure adequate levels for production / not too much</td> <td data-bbox="992 1458 1318 1585">By regulating the buffer stock efficiently</td> </tr> </tbody> </table>				Identification of a function (1 mark)	Explanation of a function (+1 mark)	Explanation of a function in context (+1 mark)	Any one of Mintzbergs functions e.g. leader	motivating the employees	Such as the salaried sales staff	Ensuring stock control / inventory levels	To ensure adequate levels for production / not too much	By regulating the buffer stock efficiently						
Identification of a function (1 mark)	Explanation of a function (+1 mark)	Explanation of a function in context (+1 mark)																
Any one of Mintzbergs functions e.g. leader	motivating the employees	Such as the salaried sales staff																
Ensuring stock control / inventory levels	To ensure adequate levels for production / not too much	By regulating the buffer stock efficiently																

Question	Answer				Marks
1(c)	<b>Analyse <u>two</u> methods which could be used to improve the motivation of BB's sales staff</b>				<b>8</b>
	<b>Level</b>	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Analysis (4 marks)</b>	<b>Marks</b>
	2b	Shows understanding of <b>two</b> motivation methods could be used for BB's sales staff	4	Developed analysis of <b>two</b> motivational methods that BB could use to motivate its sales staff	4
	2a	Shows understanding of <b>one</b> motivation method could be used for BB's sales staff	3	Developed analysis of <b>one</b> motivational method that BB could use to motivate its sales staff	3
	1b	Shows knowledge of <b>two</b> motivation methods	2	Limited analysis of <b>two</b> motivational methods that BB could use to motivate its sales staff	2
	1a	Shows knowledge of <b>one</b> motivation method	1	Limited analysis of <b>one</b> motivational method that BB could use to motivate its sales staff	1
	0	No creditable content			0
<p>ARA May mention financial and/non-financial motivators.</p> <p>Content:</p> <ul style="list-style-type: none"> <li>• Salaried employees so could change to include commission payments</li> <li>• Set sales target with a bonus for meeting target</li> <li>• Offer a profit-sharing scheme</li> <li>• Re-train as sales staff rely on repeat custom so training in attracting new customers</li> <li>• Encourage participation in identifying new outlets especially if go ahead with the new design</li> <li>• Fringe benefits such as a company car to go and meet new customers</li> <li>• Provide more promotion opportunities</li> <li>• May refer to needs such as self-actualisation</li> </ul>					

Question	Answer				Marks
1(c)	<b>K</b>	<b>APP*</b>	<b>AN</b>	<b>DEV</b>	
	Targets & bonus	For the new foldable bike/ To find new (ind) bike retailers	Which would provide financial incentives	But may lead to mis-selling/ hard sales tactics	
	Commission	Based on how many bikes sold	Which would reduce the safety of a salary	And force staff to look for new customers	
	Retraining	To upskill selling skills to new bike retailers	So employees would be more confident approaching new customers	And building a wider customer base	
	Fringe benefits	Provide company cars to approach new bike retailers	But may be expensive	And reduce 50% gross profit margins	
<b>*For app, 'customer' is too vague, needs reference to 'bike retailers'</b>					



Question	Answer				Marks
1(d)	<b>Recommend which proposal for increasing revenue the Directors of BB should choose. Justify your recommendation.</b>				<b>11</b>
	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Analysis and Evaluation (7 marks)</b>	<b>Marks</b>	
			Justified recommendation based on arguments in context	7	
			Developed recommendation based on arguments in context	6	
			An evaluative statement/ recommendation based on arguments in context	5	
	Understanding of two factors in decision making in context	4	Argument based on two factors of decision making in context	4	
	Understanding of one factor in decision making in context	3	Argument based on one factor of decision making in context	3	
	Knowledge of two factors of decision making by firms	2	limited analysis of two factors of decision making by firms	2	
	Knowledge of one factor of decision making by firms	1	limited analysis of one factor of decision making by firms	1	

Question	Answer				Marks														
1(d)	<p><i>Context must be explicit not just implied based on the 3 proposals – new product/market, stock management and/or motivation of sales employees</i></p> <p>Context/content:</p> <ul style="list-style-type: none"> <li>• Moneeb – Change inventory control to JIT, retail sales, improved gross profit margin, utilise spare capacity. Is the location suitable for retail? How easy to re-organise stock system? Implied criticism of stock manager. Requires investment.</li> <li>• Lia – new design of foldable bike/bicycle/cycle, growing niche market, premium prices could lead to higher profit. Risky as not known in that market. Will require marketing campaign – extra costs. Needs more research. Requires investment.</li> <li>• Allow candidates to use Johns contribution as a proposal</li> </ul> <table border="1" data-bbox="316 824 1315 1317"> <thead> <tr> <th data-bbox="316 824 488 889">K</th> <th data-bbox="493 824 662 889">APP</th> <th data-bbox="667 824 810 889">AN</th> <th data-bbox="815 824 1043 889">DEV</th> <th data-bbox="1048 824 1315 889">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 891 488 1088">gross profit margin</td> <td data-bbox="493 891 662 1088">50% for the folding bike</td> <td data-bbox="667 891 810 1088">More stock – already high inventory</td> <td data-bbox="815 891 1043 1088">Opportunity cost of stock held (Re-purpose of existing stock)</td> <td data-bbox="1048 891 1315 1317" rowspan="2">Should choose folding bikes because area of expertise and has existing sales channels, may not have enough capital to invest in new shop</td> </tr> <tr> <td data-bbox="316 1090 488 1317">Marketing knowledge</td> <td data-bbox="493 1090 662 1317">B2B only – no knowledge of consumer sales</td> <td data-bbox="667 1090 810 1317">Risky as have to start from nothing</td> <td data-bbox="815 1090 1043 1317">Have to compete against established companies.</td> </tr> </tbody> </table>				K	APP	AN	DEV	EVAL	gross profit margin	50% for the folding bike	More stock – already high inventory	Opportunity cost of stock held (Re-purpose of existing stock)	Should choose folding bikes because area of expertise and has existing sales channels, may not have enough capital to invest in new shop	Marketing knowledge	B2B only – no knowledge of consumer sales	Risky as have to start from nothing	Have to compete against established companies.	
K	APP	AN	DEV	EVAL															
gross profit margin	50% for the folding bike	More stock – already high inventory	Opportunity cost of stock held (Re-purpose of existing stock)	Should choose folding bikes because area of expertise and has existing sales channels, may not have enough capital to invest in new shop															
Marketing knowledge	B2B only – no knowledge of consumer sales	Risky as have to start from nothing	Have to compete against established companies.																

Question	Answer	Marks																							
2(a)(i)	<p data-bbox="316 248 903 282"><b>Define the term ‘social enterprise’ (line 5).</b></p> <table border="1" data-bbox="316 315 1315 577"> <thead> <tr> <th data-bbox="316 315 1110 380">Knowledge and Application</th> <th data-bbox="1110 315 1315 380">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 380 1110 448">A correct definition</td> <td data-bbox="1110 380 1315 448">2</td> </tr> <tr> <td data-bbox="316 448 1110 515">A partial, vague or unfocused definition</td> <td data-bbox="1110 448 1315 515">1</td> </tr> <tr> <td data-bbox="316 515 1110 577">No creditable content</td> <td data-bbox="1110 515 1315 577">0</td> </tr> </tbody> </table> <p data-bbox="316 611 424 645">Content</p> <ul data-bbox="316 678 1233 745" style="list-style-type: none"> <li data-bbox="316 678 1233 712">• A business that uses profit (1) for the benefit of the community (1)</li> <li data-bbox="316 712 1233 745">• ARA</li> </ul> <table border="1" data-bbox="316 779 1315 1240"> <thead> <tr> <th data-bbox="316 779 879 844">Exemplar</th> <th data-bbox="879 779 979 844">Mark</th> <th data-bbox="979 779 1315 844">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 844 879 978">Profits are used for the community/beneficiary and not just for shareholder dividends</td> <td data-bbox="879 844 979 978">2</td> <td data-bbox="979 844 1315 978">Two points made</td> </tr> <tr> <td data-bbox="316 978 879 1079">Profit is not the main aim, main aim is to benefit society/beneficiary</td> <td data-bbox="879 978 979 1079">2</td> <td data-bbox="979 978 1315 1079">Two points made</td> </tr> <tr> <td data-bbox="316 1079 879 1180">Triple bottom line: social, environmental and financial</td> <td data-bbox="879 1079 979 1180">1</td> <td data-bbox="979 1079 1315 1180">Only one element; not explicit</td> </tr> <tr> <td data-bbox="316 1180 879 1240">The business does not make profits</td> <td data-bbox="879 1180 979 1240">0</td> <td data-bbox="979 1180 1315 1240">incorrect</td> </tr> </tbody> </table>	Knowledge and Application	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Mark	Rationale	Profits are used for the community/beneficiary and not just for shareholder dividends	2	Two points made	Profit is not the main aim, main aim is to benefit society/beneficiary	2	Two points made	Triple bottom line: social, environmental and financial	1	Only one element; not explicit	The business does not make profits	0	incorrect	2
Knowledge and Application	Marks																								
A correct definition	2																								
A partial, vague or unfocused definition	1																								
No creditable content	0																								
Exemplar	Mark	Rationale																							
Profits are used for the community/beneficiary and not just for shareholder dividends	2	Two points made																							
Profit is not the main aim, main aim is to benefit society/beneficiary	2	Two points made																							
Triple bottom line: social, environmental and financial	1	Only one element; not explicit																							
The business does not make profits	0	incorrect																							

Question	Answer	Marks																											
2(a)(ii)	<p><b>Explain the term “crowd funding’ (line 6).</b></p> <p>Award one mark for each point of explanation</p> <table border="1" data-bbox="316 344 1315 775"> <thead> <tr> <th></th> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>E.g. or some other way of showing good understanding; Often using the internet ; may be incentives; Many small investors</td> <td>3</td> </tr> <tr> <td>B</td> <td>Each investor contributes a small amount</td> <td>2</td> </tr> <tr> <td>A</td> <td>Source of finance/investment</td> <td>1</td> </tr> <tr> <td></td> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p>B and C does not require the A mark to be present</p> <p>Answers could include:</p> <p>Raising money for a project or venture, (A) from a large number of people, who each contribute a relatively small amount, (B) typically via the Internet. (C)</p> <table border="1" data-bbox="316 1077 1315 1505"> <thead> <tr> <th></th> <th>Mark</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>A source of finance, where many small investors each contribute a small amount for benefits such as being able to buy the first production run</td> <td>3</td> <td>All three elements covered</td> </tr> <tr> <td>A source of finance where many small investors each contribute a small amount for benefits</td> <td>2</td> <td>Point A and B</td> </tr> <tr> <td>Many small investors</td> <td>1</td> <td>Point C only</td> </tr> </tbody> </table>		Rationale	Marks	C	E.g. or some other way of showing good understanding; Often using the internet ; may be incentives; Many small investors	3	B	Each investor contributes a small amount	2	A	Source of finance/investment	1		No creditable content	0		Mark	Rationale	A source of finance, where many small investors each contribute a small amount for benefits such as being able to buy the first production run	3	All three elements covered	A source of finance where many small investors each contribute a small amount for benefits	2	Point A and B	Many small investors	1	Point C only	<b>3</b>
	Rationale	Marks																											
C	E.g. or some other way of showing good understanding; Often using the internet ; may be incentives; Many small investors	3																											
B	Each investor contributes a small amount	2																											
A	Source of finance/investment	1																											
	No creditable content	0																											
	Mark	Rationale																											
A source of finance, where many small investors each contribute a small amount for benefits such as being able to buy the first production run	3	All three elements covered																											
A source of finance where many small investors each contribute a small amount for benefits	2	Point A and B																											
Many small investors	1	Point C only																											

Question	Answer	Marks																						
2(b)(i)	<p data-bbox="316 248 1313 282"><b>Refer to Tables 2.1 and 2.2. Calculate Nadia's forecast profit for 2020.</b></p> <table border="1" data-bbox="316 315 1313 640"> <thead> <tr> <th data-bbox="316 315 1015 378">Rationale</th> <th data-bbox="1015 315 1313 378">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 378 1015 443">Correct answer</td> <td data-bbox="1015 378 1313 443">3</td> </tr> <tr> <td data-bbox="316 443 1015 508">Correctly calculates total revenue</td> <td data-bbox="1015 443 1313 508">2</td> </tr> <tr> <td data-bbox="316 508 1015 573">Attempt (e.g. formula or identifies data)</td> <td data-bbox="1015 508 1313 573">1</td> </tr> <tr> <td data-bbox="316 573 1015 640"></td> <td data-bbox="1015 573 1313 640">0</td> </tr> </tbody> </table> <p data-bbox="316 678 368 712">e.g.</p> <p data-bbox="316 741 1302 775">Revenue – (total costs) = profit (1 mark)</p> <p data-bbox="316 775 740 808">Revenue – (direct costs) = profit</p> <p data-bbox="316 844 1313 878">Revenue = (225 × \$25) + (175 × \$200) – (125 × \$275) = \$75 000 (2 marks)</p> <p data-bbox="316 913 1313 947">\$75 000 – (\$30 000 + \$15 000) = \$30 000 (profit for the year) (3 marks)</p> <p data-bbox="316 947 871 981">\$75 000 – \$30 000 = \$45 000 (gross profit)</p> <p data-bbox="316 1016 1010 1050">Accept either gross profit or Profit for the year figures</p> <p data-bbox="316 1050 676 1084">Common incorrect answers</p> <table border="1" data-bbox="316 1084 1313 1370"> <thead> <tr> <th data-bbox="316 1084 651 1149">Answer</th> <th data-bbox="651 1084 751 1149">Mark</th> <th data-bbox="751 1084 1313 1149">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 1149 651 1214">30 000 or 30</td> <td data-bbox="651 1149 751 1214">3</td> <td data-bbox="751 1149 1313 1214">Dollar sign and '000 not required</td> </tr> <tr> <td data-bbox="316 1214 651 1279">45 000 or 45</td> <td data-bbox="651 1214 751 1279">3</td> <td data-bbox="751 1214 1313 1279">Dollar sign and '000 not required</td> </tr> <tr> <td data-bbox="316 1279 651 1370">75 000 or 75</td> <td data-bbox="651 1279 751 1370">2</td> <td data-bbox="751 1279 1313 1370">Dollar sign, '000 and working not required (as a recognisable figure)</td> </tr> </tbody> </table>	Rationale	Marks	Correct answer	3	Correctly calculates total revenue	2	Attempt (e.g. formula or identifies data)	1		0	Answer	Mark	Rationale	30 000 or 30	3	Dollar sign and '000 not required	45 000 or 45	3	Dollar sign and '000 not required	75 000 or 75	2	Dollar sign, '000 and working not required (as a recognisable figure)	3
Rationale	Marks																							
Correct answer	3																							
Correctly calculates total revenue	2																							
Attempt (e.g. formula or identifies data)	1																							
	0																							
Answer	Mark	Rationale																						
30 000 or 30	3	Dollar sign and '000 not required																						
45 000 or 45	3	Dollar sign and '000 not required																						
75 000 or 75	2	Dollar sign, '000 and working not required (as a recognisable figure)																						

Question	Answer		Marks																								
2(b)(ii)	<p><b>Explain one way in which Nadia can use the internet for her marketing campaign.</b></p> <table border="1" data-bbox="316 344 1313 777"> <thead> <tr> <th data-bbox="316 344 443 409">Level</th> <th data-bbox="443 344 1158 409">Knowledge and Application</th> <th data-bbox="1158 344 1313 409">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 409 443 510">2 (APP)</td> <td data-bbox="443 409 1158 510">Explanation of an internet based marketing method in context</td> <td data-bbox="1158 409 1313 510">3</td> </tr> <tr> <td data-bbox="316 510 443 611">1b (K × K)</td> <td data-bbox="443 510 1158 611">Explanation of an internet based marketing method</td> <td data-bbox="1158 510 1313 611">2</td> </tr> <tr> <td data-bbox="316 611 443 712">1a (K)</td> <td data-bbox="443 611 1158 712">Identification of an internet based marketing method</td> <td data-bbox="1158 611 1313 712">1</td> </tr> <tr> <td data-bbox="316 712 443 777">0</td> <td data-bbox="443 712 1158 777">No creditable content</td> <td data-bbox="1158 712 1313 777">0</td> </tr> </tbody> </table> <p data-bbox="316 810 874 844">Context and content is likely to come from:</p> <ul data-bbox="316 844 1295 985" style="list-style-type: none"> <li>• Ads on internet sites – internet based business, above the line – expensive, can they afford this given low profits</li> <li>• Below the line – target students or parents? Contact schools/colleges?</li> <li>• Social media, viral marketing.</li> </ul> <p data-bbox="316 1016 914 1050">Example of how responses should be marked</p> <table border="1" data-bbox="316 1050 1313 1415"> <thead> <tr> <th data-bbox="316 1050 606 1218">Identification of one method of internet marketing</th> <th data-bbox="606 1050 970 1218">Explanation of an internet based marketing method</th> <th data-bbox="970 1050 1313 1218">Explanation of an internet based marketing method in context</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 1218 606 1319">Ads on internet sites</td> <td data-bbox="606 1218 970 1319">Above the line method</td> <td data-bbox="970 1218 1313 1319">As this is an internet based business</td> </tr> <tr> <td data-bbox="316 1319 606 1415">Social media</td> <td data-bbox="606 1319 970 1415">Viral marketing</td> <td data-bbox="970 1319 1313 1415">As A-Level students often use social media</td> </tr> </tbody> </table>		Level	Knowledge and Application	Marks	2 (APP)	Explanation of an internet based marketing method in context	3	1b (K × K)	Explanation of an internet based marketing method	2	1a (K)	Identification of an internet based marketing method	1	0	No creditable content	0	Identification of one method of internet marketing	Explanation of an internet based marketing method	Explanation of an internet based marketing method in context	Ads on internet sites	Above the line method	As this is an internet based business	Social media	Viral marketing	As A-Level students often use social media	<b>3</b>
Level	Knowledge and Application	Marks																									
2 (APP)	Explanation of an internet based marketing method in context	3																									
1b (K × K)	Explanation of an internet based marketing method	2																									
1a (K)	Identification of an internet based marketing method	1																									
0	No creditable content	0																									
Identification of one method of internet marketing	Explanation of an internet based marketing method	Explanation of an internet based marketing method in context																									
Ads on internet sites	Above the line method	As this is an internet based business																									
Social media	Viral marketing	As A-Level students often use social media																									

Question	Answer				Marks
2(c)	<b>Analyse <u>two</u> ways in which emotional intelligence may help Nadia be an effective leader.</b>				<b>8</b>
	<b>Level</b>	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Analysis (4 marks)</b>	<b>Marks</b>
	2b	Understanding of two elements of emotional intelligence in context	4	Developed analysis of <b>two</b> ways a leader can use emotional intelligence in context	4
	2a	Understanding of one element of emotional intelligence in context	3	Developed analysis of <b>one</b> way a leader can use emotional intelligence in context	3
	1b	Shows knowledge of two elements of emotional intelligence	2	Limited analysis of <b>two</b> ways a leader can use emotional intelligence	2
	1a	Shows knowledge of one element of emotional intelligence	1	Limited analysis of <b>one</b> way a leader can use emotional intelligence	1
	0	No creditable content			0
<p><b>Knowledge – Emotional Intelligence (EI)</b></p> <ul style="list-style-type: none"> <li>• recognising and managing your emotions and those of others.</li> <li>• Goleman’s four competencies of emotional intelligence: <ul style="list-style-type: none"> <li>– self-awareness,</li> <li>– self-management,</li> <li>– social awareness, and</li> <li>– social skills.</li> </ul> </li> </ul> <p><b>Application and analysis– linked to one aspect of knowledge</b></p> <ul style="list-style-type: none"> <li>• Nadia’s leadership of a start-up internet business employing a young staff – lack of experience.</li> <li>• All staff are part-time so important to manage well, keep happy and ensure good customer relations.</li> <li>• Staff unlikely to have many opportunities to meet as working from home which can be alienating and a leader should recognise this and take action to help develop a team spirit/engage employees.</li> </ul>					

Question	Answer				Marks												
2(c)	<table border="1" data-bbox="320 282 1310 645"> <thead> <tr> <th data-bbox="320 282 512 344">K</th> <th data-bbox="517 282 762 344">APP</th> <th data-bbox="767 282 1013 344">AN</th> <th data-bbox="1018 282 1310 344">DEV</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 351 512 510">Self-awareness</td> <td data-bbox="517 351 762 510">Has identified laissez faire management style</td> <td data-bbox="767 351 1013 510">Which may not be suitable for a growing business</td> <td data-bbox="1018 351 1310 510">So can adapt to a more suitable method</td> </tr> <tr> <td data-bbox="320 517 512 645">Awareness of employee needs</td> <td data-bbox="517 517 762 645">Tutors are remote workers and</td> <td data-bbox="767 517 1013 645">may not feel a connection with the business</td> <td data-bbox="1018 517 1310 645">Which could lead to poor tutor engagement</td> </tr> </tbody> </table> <p data-bbox="316 680 1318 813">1. Self–Awareness without any obstruction. She will be able to recognise emotions as they arise in response to an action or situation. As a result, she will be in a better position to address problems/future complications.</p> <p data-bbox="316 848 1222 981">2. Self–Management Will help Nadia stay in control so that she is unlikely to make hasty decisions or let her anger take over her behavior. This will help her to maintain respect from her employees.</p> <p data-bbox="316 1016 1318 1216">3. Social Awareness Nadia should be aware of the emotions of others and able to pick up on what is going on around her. She should be able to sympathise with others and give helpful feedback. This is a critical skill for leaders, who work closely to inspire and motivate a team. If the leader is unable to empathise with their employees, she will find it difficult to obtain respect or loyalty.</p> <p data-bbox="316 1252 1289 1518">4. Social skills Nadia should be able to clearly convey directions and know what to say in order to inspire and motivate others. An important skill for leaders, communication can be a deciding factor in whether the team listens or not. She should be able to handle any disagreements that arise between employees, customers, and other parties. In conjunction with the above skills, leaders can use their emotional intelligence to develop a more effective workplace.</p>				K	APP	AN	DEV	Self-awareness	Has identified laissez faire management style	Which may not be suitable for a growing business	So can adapt to a more suitable method	Awareness of employee needs	Tutors are remote workers and	may not feel a connection with the business	Which could lead to poor tutor engagement	<b>1</b>
K	APP	AN	DEV														
Self-awareness	Has identified laissez faire management style	Which may not be suitable for a growing business	So can adapt to a more suitable method														
Awareness of employee needs	Tutors are remote workers and	may not feel a connection with the business	Which could lead to poor tutor engagement														



Question	Answer				Marks
2(d)	<b>Evaluate whether Nadia should form a business partnership with Emma</b>				<b>11</b>
	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Analysis and Evaluation (7 marks)</b>	<b>Marks</b>	
			Justified evaluation based on arguments in context	7	
			Developed evaluation based on arguments in context	6	
			An evaluative statement based on arguments in context	5	
	Shows understanding of two characteristics of legal ownership in context	4	Arguments based on changing legal ownership in context	4	
	Shows understanding of one characteristic of legal ownership in context	3		3	
	Shows knowledge of two characteristics of legal ownership	2	limited analysis of changing legal ownership	2	
	Shows knowledge of one characteristic of legal ownership	1		1	

Question	Answer					Marks															
2(d)	<p><i>Context must be explicit not just implied and based on the leadership styles, structure of the firm and changing from sole trader to partnership</i></p> <p>Context/content:</p> <ul style="list-style-type: none"> <li>• Leadership styles may clash – autocratic v laissez-faire/Loss of control/Conflict may arise</li> <li>• Nadia will have to share profits (forecast only \$30k/45k profit)</li> <li>• Emma may not want to form a business partnership with Nadia. She may have a job she is happy with or she may have her own business</li> <li>• Emma could contribute additional capital but does she have enough resources to 'buy-in'?</li> <li>• Emma's skills and expertise could complement Nadia's / Decision making shared</li> <li>• Shared risks</li> <li>• Help Nadia to expand the business</li> <li>• Running a business is not the same as leading a group project – Emma may not be as skilled in business</li> </ul> <table border="1" data-bbox="316 869 1318 1570"> <thead> <tr> <th data-bbox="316 869 499 934">K</th> <th data-bbox="499 869 643 934">APP</th> <th data-bbox="643 869 858 934">AN</th> <th data-bbox="858 869 1038 934">DEV</th> <th data-bbox="1038 869 1318 934">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 934 499 1200">Sole trader makes all business decisions</td> <td data-bbox="499 934 643 1200">Emma often takes charge</td> <td data-bbox="643 934 858 1200">And an autocratic leadership style could disenfranchise casual employees</td> <td data-bbox="858 934 1038 1200">Which may affect employee retention and recruitment</td> <td data-bbox="1038 934 1318 1200">Nadia should form a business partnership as she has identified her leadership style is not appropriate (EVAL)</td> </tr> <tr> <td data-bbox="316 1200 499 1570">Partnership profits are shared</td> <td data-bbox="499 1200 643 1570">Nadia will have to share profits (forecast only \$30/45k profit)</td> <td data-bbox="643 1200 858 1570">So Emma may want to charge more</td> <td data-bbox="858 1200 1038 1570">Which could take the focus away from the social enterprise.</td> <td data-bbox="1038 1200 1318 1570">And Emma could take control of employee and task management (EVAL EVAL) Leaving Nadia free to concentrate on other aspects such as marketing and growth.</td> </tr> </tbody> </table>					K	APP	AN	DEV	EVAL	Sole trader makes all business decisions	Emma often takes charge	And an autocratic leadership style could disenfranchise casual employees	Which may affect employee retention and recruitment	Nadia should form a business partnership as she has identified her leadership style is not appropriate (EVAL)	Partnership profits are shared	Nadia will have to share profits (forecast only \$30/45k profit)	So Emma may want to charge more	Which could take the focus away from the social enterprise.	And Emma could take control of employee and task management (EVAL EVAL) Leaving Nadia free to concentrate on other aspects such as marketing and growth.	
K	APP	AN	DEV	EVAL																	
Sole trader makes all business decisions	Emma often takes charge	And an autocratic leadership style could disenfranchise casual employees	Which may affect employee retention and recruitment	Nadia should form a business partnership as she has identified her leadership style is not appropriate (EVAL)																	
Partnership profits are shared	Nadia will have to share profits (forecast only \$30/45k profit)	So Emma may want to charge more	Which could take the focus away from the social enterprise.	And Emma could take control of employee and task management (EVAL EVAL) Leaving Nadia free to concentrate on other aspects such as marketing and growth.																	