



## Cambridge International AS & A Level

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**BUSINESS**

**9609/13**

Paper 1 Short Answer and Essay

**October/November 2020**

MARK SCHEME

Maximum Mark: 40

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**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.

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This document consists of **15** 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.

**9609 Paper 1 Specific Marking Principles**

Marks are awarded for each answer when the following Assessment Objectives (AO) are met. The mark scheme for each answer indicates when and how each AO can be met.

**AO1 – Demonstrate knowledge and understanding of business concepts.**

The focus in Section A of the Examination Paper is on this first AO.

- (a) Questions 1, 2, and 4 will meet this AO using definitions and explanations of business concepts.
- (b) Question 3 provides an opportunity for the application and a more developed explanation of a business concept. The 4–5-mark level specifically provides for this more developed explanation.

In Section B of the Examination Paper

- (a) Questions 5, 6, and 7 still require supporting Knowledge and Understanding (AO1), but there is now a focus on **Application (AO2)**, **Analysis (AO3)**, and **Evaluation (AO4)**. These skills are set out below:

**AO2 – Apply knowledge and understanding of business concepts to general and specific situations and contexts.**

- (a) Where a specific business or context is named in the question then the candidate is required to relate answers specifically to this business or context.
- (b) It is not sufficient to merely repeat the name of the business or the context.

**AO3 – Analyse business problems, issues, situations and contexts, through a discussion and interpretation of evidence, debate, theory, impact and consequence, to produce reasoned and coherent arguments.**

- (a) Level 3 answers will likely use terms such as - because, leads to, therefore, so that, as a result, consequently – thereby showing analytical development for AO3.

**AO4 – Limited Evaluation is given**

- (a) When an attempt is made, (probably in a concluding section of an answer), to address and comment on the value and validity of the previous analysis.
- (b) These comments may be quite brief and be more opinionated than reasoned.
- (c) A mere concluding summary of preceding analysis is, however, not evaluation.

**AO4 – Evaluation occurs**

- (a) When an answer comments on the validity/significance of previous analysis in an evidence based and reasoned way.
- (b) This often leads to the presentation of appropriate substantiated judgements, decisions, or recommendations.

Question	Answer	Marks
1(a)	<p><b>Define the term ‘market research’.</b></p> <ul style="list-style-type: none"> <li>• the process of collecting data about customers / products / markets / competition (1)</li> <li>• analysing such data (1)</li> <li>• identifying aspects of a market to aid decision making (1)</li> <li>• identifying customer needs / demand of customers (1)</li> <li>• before a product is made (1)</li> <li>• collecting primary and/or secondary data (1)</li> <li>• using research methods such as surveys, interviews, internet records, government publications, product testing (1)</li> </ul> <p>Sound definition of 2 of the factors listed above (2 marks)</p> <p>Partial definition of 1 of the factors listed above (1 mark)</p> <p>No creditable content (0 marks)</p>	<b>2</b>
1(b)	<p><b>Explain <u>two</u> advantages to a business of using primary (field) market research data.</b></p> <p>Answers could include:</p> <ul style="list-style-type: none"> <li>• primary research is first-hand data directly related to the requirements of a business</li> <li>• it is up to date which enables current trends to be identified and so more useful than secondary data</li> <li>• a business has direct control over what and how data is collected and can select an appropriate method</li> <li>• the data is confidential and can be hidden from competitors</li> <li>• facilitates the targeting of specific groups / collecting of specific information providing more insights than secondary data</li> <li>• a focussed approach can save time and resources</li> <li>• more likely to discover customer needs / perceptions / reactions</li> <li>• it is quality controlled so can remove bias</li> <li>• <b>Accept any other valid response.</b></li> </ul> <p>Sound explanation of <b>two</b> advantages of primary research data. (3 marks)</p> <p>Sound explanation of <b>one</b> or partial explanation of <b>two</b> advantages of primary research data. (2 marks)</p> <p>Partial explanation of <b>one</b> advantage, or a list of <b>two</b> advantages. (1 mark)</p> <p>No creditable content. (0 marks)</p>	<b>3</b>

Question	Answer	Marks
2(a)	<p><b>Define the term 'liquidity ratio'.</b></p> <ul style="list-style-type: none"> <li>• it is a financial ratio (1)</li> <li>• assesses the short-term financial strength of a business (1)</li> <li>• ability to pay its short-term debts (1)</li> <li>• measures the liquidity of business assets (1)</li> <li>• a good liquidity ratio is greater than 1 (1)</li> <li>• formula given for either current ratio or acid test ratio (2)</li> </ul> <p> <math display="block">CR = \frac{\text{Current assets}}{\text{Current liabilities}} \quad ATR = \frac{\text{Current assets} - \text{inventory}}{\text{Current liabilities}}</math> </p> <p>Sound definition of 2 of the factors listed above. (2 marks)</p> <p>Partial definition of 1 of the factors listed above. (1 mark)</p> <p>No creditable content. (0 marks)</p>	<b>2</b>
2(b)	<p><b>Explain <u>two</u> limitations of using accounting ratios.</b></p> <p>Answers may include:</p> <ul style="list-style-type: none"> <li>• may give a misleading picture of business performance if not combined with other data</li> <li>• ratio results on their own are of limited value – need to be viewed over a period (trend) or compared with results from similar businesses</li> <li>• need for caution when comparisons made with other businesses – there may be different ways of valuing assets – may be window dressing</li> <li>• poor results only identify and highlight a potential business problem – still need to analyse problems and devise solutions</li> <li>• only represent quantitative measures of performance – other qualitative measures may be just as important</li> <li>• <b>Accept any other valid response.</b></li> </ul> <p>Sound explanation of <b>two</b> limitations of using accounting ratios (3 marks)</p> <p>Sound explanation of <b>one</b> limitation of using accounting ratios or partial explanation of <b>two</b> limitations (2 marks)</p> <p>Partial explanation of <b>one</b> limitation of using accounting ratios or a list of <b>two</b> limitations (1 mark)</p> <p>No creditable content (0 marks)</p>	<b>3</b>

Question	Answer	Marks
3	<p><b>Explain why emotional intelligence is an important quality of an effective business leader.</b></p> <p>Explanations may include:</p> <ul style="list-style-type: none"> <li>• a definition of EI – the ability of leaders/managers to understand their own emotions and those of the people they work with to achieve improved performance</li> <li>• Coleman’s competencies – self-awareness – self-management – social awareness – social skills</li> <li>• what do leaders do – motivate employees – provide a vision for the successful achievement of goals/objectives</li> <li>• intellectual ability alone said to be insufficient – EI is needed to empower employees</li> <li>• a leader with EI more likely to succeed than a cold, clinical IQ leader / manager</li> <li>• long-term business effectiveness requires leaders with IQ and EI.</li> <li>• <b>Accept any other valid response.</b></li> </ul> <p>Effective explanation of why emotional intelligence is an important quality of an effective business leader (4–5 marks)</p> <p>Limited explanation of why emotional intelligence is an important quality of an effective business leader (2–3 marks)</p> <p>Explanation of emotional intelligence / business leadership (1 mark)</p> <p>No creditable content (0 marks)</p>	5

Question	Answer	Marks
4(a)	<p><b>Define the term ‘intellectual capital’.</b></p> <ul style="list-style-type: none"> <li>• the intangible capital of a business (1)</li> <li>• that includes human capital such as the expertise and skills of employees (1)</li> <li>• the wisdom / ideas / creativity / expertise / skills within a business (1)</li> <li>• structural capital such as information systems and data systems (1)</li> <li>• relational capital such as brands, networks, distribution channels, links with suppliers and consumers (1)</li> </ul> <p>Sound definition of 2 of the factors listed above (2 marks)</p> <p>Partial definition of 1 of the factors listed above (1 mark)</p> <p>No creditable content. (0 marks)</p>	2

Question	Answer	Marks
4(b)	<p><b>Explain <u>two</u> functions of an operations management department.</b></p> <p>Answers could include:</p> <ul style="list-style-type: none"> <li>• to design, create, produce goods and services for an organisation and its customers so that they are quality products</li> <li>• to direct and control the transformation process – so that it is efficient and effective and adds value</li> <li>• to procure appropriate inputs in a cost-effective way</li> <li>• to effectively manage an appropriate inventory level</li> <li>• to focus on quality, speed of response, flexibility, type and cost of the production process</li> <li>• achieve an effective labour / capital production mix</li> <li>• to incorporate and forecast the latest technological approaches into the production process</li> <li>• <b>Accept any other valid response.</b></li> </ul> <p>Sound explanation of <b>two</b> functions of an operations management department (3 marks)</p> <p>Sound explanation of <b>one</b> function of an operations management department or partial explanation of <b>two</b> functions. (2 marks)</p> <p>Partial explanation of <b>one</b> function of an operations management department or a list of <b>two</b> functions. (1 mark)</p> <p>No creditable content (0 marks)</p>	<b>3</b>

Question	Answer	Marks																		
5(a)	<p data-bbox="316 248 1238 315"><b>Analyse the benefits to a business of introducing computer aided design (CAD).</b></p> <table border="1" data-bbox="316 349 1313 837"> <thead> <tr> <th data-bbox="316 349 451 414">Level</th> <th data-bbox="451 349 1182 414">Description</th> <th data-bbox="1182 349 1313 414">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 414 451 512">4</td> <td data-bbox="451 414 1182 512">Good analysis of the benefits to a business of introducing computer aided design (CAD).</td> <td data-bbox="1182 414 1313 512">7–8</td> </tr> <tr> <td data-bbox="316 512 451 611">3</td> <td data-bbox="451 512 1182 611">Limited analysis of the benefits to a business of introducing computer aided design (CAD).</td> <td data-bbox="1182 512 1313 611">5–6</td> </tr> <tr> <td data-bbox="316 611 451 710">2</td> <td data-bbox="451 611 1182 710">Application of the benefits to a business of introducing computer aided design (CAD).</td> <td data-bbox="1182 611 1313 710">3–4</td> </tr> <tr> <td data-bbox="316 710 451 775">1</td> <td data-bbox="451 710 1182 775">Knowledge and understanding of CAD</td> <td data-bbox="1182 710 1313 775">1–2</td> </tr> <tr> <td data-bbox="316 775 451 837">0</td> <td data-bbox="451 775 1182 837">No creditable content</td> <td data-bbox="1182 775 1313 837">0</td> </tr> </tbody> </table> <p data-bbox="316 875 620 904">Answers could include:</p> <p data-bbox="316 943 871 972"><b>Knowledge and Understanding 2 marks</b></p> <ul data-bbox="316 976 735 1008" style="list-style-type: none"> <li>• clear understanding of CAD</li> </ul> <p data-bbox="316 1046 596 1075"><b>Application 2 marks</b></p> <ul data-bbox="316 1079 1096 1111" style="list-style-type: none"> <li>• reference to the benefits CAD could bring to a business</li> </ul> <p data-bbox="316 1149 560 1178"><b>Analysis 4 marks</b></p> <ul data-bbox="316 1182 1307 1711" style="list-style-type: none"> <li>• produces 2D or 3D models – allows identification of a variety of designs</li> <li>• fast and accurate drawings produced</li> <li>• simple to use</li> <li>• gives good visualisation of final product and its parts</li> <li>• used by architects, engineers, artists, drafters</li> <li>• used to create simulated environments for clients</li> <li>• CAD systems can be linked to CAM machines to produce objects straight from drawings</li> <li>• leads to lower product development costs</li> <li>• leads to faster time to market</li> <li>• potentially improved product quality</li> <li>• greater accuracy – fewer errors</li> <li>• data can be used for other applications and shared easily between departments via email</li> <li>• <b>Accept any other valid response.</b></li> </ul>	Level	Description	Marks	4	Good analysis of the benefits to a business of introducing computer aided design (CAD).	7–8	3	Limited analysis of the benefits to a business of introducing computer aided design (CAD).	5–6	2	Application of the benefits to a business of introducing computer aided design (CAD).	3–4	1	Knowledge and understanding of CAD	1–2	0	No creditable content	0	8
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0	No creditable content	0																		



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5(b)	<p><b>Discuss the view that it is more important for a manufacturer of bicycles to be effective than it is to be efficient.</b></p> <table border="1" data-bbox="316 349 1318 976"> <thead> <tr> <th data-bbox="316 349 448 414">Level</th> <th data-bbox="448 349 1185 414">Description</th> <th data-bbox="1185 349 1318 414">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 414 448 546">4</td> <td data-bbox="448 414 1185 546">Effective evaluation of the view that it is more important for a manufacturer of bicycles to be effective than it is to be efficient.</td> <td data-bbox="1185 414 1318 546">9–12</td> </tr> <tr> <td data-bbox="316 546 448 678">3</td> <td data-bbox="448 546 1185 678">Limited evaluation of the view that it is more important for a manufacturer of bicycles to be effective than it is to be efficient.</td> <td data-bbox="1185 546 1318 678">7–8</td> </tr> <tr> <td data-bbox="316 678 448 810">2</td> <td data-bbox="448 678 1185 810">Analysis and application of the view that it is more important for a manufacturer of bicycles to be effective than it is to be efficient.</td> <td data-bbox="1185 678 1318 810">3–6</td> </tr> <tr> <td data-bbox="316 810 448 909">1</td> <td data-bbox="448 810 1185 909">Knowledge and understanding of the concepts of effectiveness / efficiency.</td> <td data-bbox="1185 810 1318 909">1–2</td> </tr> <tr> <td data-bbox="316 909 448 976">0</td> <td data-bbox="448 909 1185 976">No creditable content</td> <td data-bbox="1185 909 1318 976">0</td> </tr> </tbody> </table> <p>Answers may include:</p> <p><b>Knowledge and Understanding 2 marks</b></p> <ul style="list-style-type: none"> <li>• clear understanding of business effectiveness</li> <li>• clear understanding of business efficiency</li> </ul> <p><b>Application 2 marks</b></p> <ul style="list-style-type: none"> <li>• reference to the concepts of effectiveness and efficiency to a manufacturer of bicycles</li> </ul> <p><b>Analysis 2 marks</b></p> <ul style="list-style-type: none"> <li>• initial definition of <b>effectiveness</b> – achieving objectives such as meeting customer needs ('doing the right thing') and hence, gaining market share – sales – revenue – profit</li> <li>• initial definition of <b>efficiency</b> ('doing the thing right') – inputs and outputs – cost effective – productivity – bicycles at least cost – potentially attractive to the market and at a competitive price to rivals</li> <li>• it is possible for a business to be efficient but ineffective – low cost bicycles that do not meet customer demands</li> <li>• the design process of bicycles needs to be attuned to market demands</li> <li>• market intelligence needs to identify design trends and stylistic fashions and product response needs to be fast</li> <li>• CAM and CAD can assist to make a business efficient <b>and</b> effective</li> <li>• the production process needs to be innovative and flexible</li> <li>• efficiency can come at the expense of effectiveness</li> <li>• efficiency can, however, support profitability and drive growth and produce a sustainable business</li> </ul>	Level	Description	Marks	4	Effective evaluation of the view that it is more important for a manufacturer of bicycles to be effective than it is to be efficient.	9–12	3	Limited evaluation of the view that it is more important for a manufacturer of bicycles to be effective than it is to be efficient.	7–8	2	Analysis and application of the view that it is more important for a manufacturer of bicycles to be effective than it is to be efficient.	3–6	1	Knowledge and understanding of the concepts of effectiveness / efficiency.	1–2	0	No creditable content	0	12
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0	No creditable content	0																		

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5(b)	<p><b>Evaluation 6 marks</b></p> <p>A candidate may make a judgement/conclusion as to the view that it is more important for a manufacturer of bicycles to be effective than it is to be efficient. These judgements/conclusions may be made at any point in the essay as well as in a concluding section. Evidence is presented and analysed.</p> <ul style="list-style-type: none"><li>• a business needs to be both efficient <b>and</b> effective – satisfy customer demands at a profit – not produce what the customer wants at a loss or produce what the customer does not want</li><li>• a business needs to reach a balance between efficiency and effectiveness – there may well be a trade-off at different times in the product life cycle.</li><li>• <b>Accept any other valid response.</b></li></ul>	

Question	Answer	Marks																					
6	<p><b>‘Limited investment in employee training and development in a primary sector business will lead to poor business performance.’</b></p> <p><b>Discuss the extent to which you agree with this view.</b></p> <table border="1" data-bbox="316 416 1313 1341"> <thead> <tr> <th data-bbox="316 416 451 481">Level</th> <th data-bbox="451 416 1182 481">Description</th> <th data-bbox="1182 416 1313 481">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 481 451 645">5</td> <td data-bbox="451 481 1182 645">Effective evaluation of the extent to which you agree with the view that ‘Limited investment in employee training and development in a primary sector business will lead to poor business performance.’</td> <td data-bbox="1182 481 1313 645">17–20</td> </tr> <tr> <td data-bbox="316 645 451 808">4</td> <td data-bbox="451 645 1182 808">Limited evaluation of the extent to which you agree with the view that ‘Limited investment in employee training and development in a primary sector business will lead to poor business performance.’</td> <td data-bbox="1182 645 1313 808">15–16</td> </tr> <tr> <td data-bbox="316 808 451 972">3</td> <td data-bbox="451 808 1182 972">Good analysis of the extent to which you agree with the view that ‘Limited investment in employee training and development in a primary sector business will lead to poor business performance.’</td> <td data-bbox="1182 808 1313 972">11–14</td> </tr> <tr> <td data-bbox="316 972 451 1135">2</td> <td data-bbox="451 972 1182 1135">Limited analysis, with application, of the view that ‘Limited investment in employee training and development in a primary sector business will lead to poor business performance.’</td> <td data-bbox="1182 972 1313 1135">5–10</td> </tr> <tr> <td data-bbox="316 1135 451 1276">1</td> <td data-bbox="451 1135 1182 1276">Knowledge and understanding of employee training and development / primary sector business / business performance</td> <td data-bbox="1182 1135 1313 1276">1–4</td> </tr> <tr> <td data-bbox="316 1276 451 1341">0</td> <td data-bbox="451 1276 1182 1341">No creditable content</td> <td data-bbox="1182 1276 1313 1341">0</td> </tr> </tbody> </table> <p>Answers may include:</p> <p><b>Knowledge and Understanding 4 marks</b></p> <ul data-bbox="316 1480 1145 1547" style="list-style-type: none"> <li>• clear understanding of employee training and development</li> <li>• clear understanding of primary sector business</li> </ul> <p><b>Application 4 marks</b></p> <ul data-bbox="316 1621 1267 1722" style="list-style-type: none"> <li>• reference to the potential impact of limited investment in training and development</li> <li>• reference to the performance of a primary sector business</li> </ul>	Level	Description	Marks	5	Effective evaluation of the extent to which you agree with the view that ‘Limited investment in employee training and development in a primary sector business will lead to poor business performance.’	17–20	4	Limited evaluation of the extent to which you agree with the view that ‘Limited investment in employee training and development in a primary sector business will lead to poor business performance.’	15–16	3	Good analysis of the extent to which you agree with the view that ‘Limited investment in employee training and development in a primary sector business will lead to poor business performance.’	11–14	2	Limited analysis, with application, of the view that ‘Limited investment in employee training and development in a primary sector business will lead to poor business performance.’	5–10	1	Knowledge and understanding of employee training and development / primary sector business / business performance	1–4	0	No creditable content	0	20
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0	No creditable content	0																					

Question	Answer	Marks
6	<p><b>Analysis 6 marks</b></p> <ul style="list-style-type: none"> <li>• limiting investment in training is often seen by businesses as an attractive way of reducing expenditure – a ‘soft’ target</li> <li>• there seems to be no immediate impact on front line provision of goods or services (an ‘intangible’ activity)</li> <li>• training often seen as an expense rather than as an investment</li> <li>• what is the purpose and value of employee training?</li> <li>• arguments against limiting investment in training include the following <ul style="list-style-type: none"> <li>- untrained staff will not use resources efficiently</li> <li>- ‘if you believe that training is expensive it is because you do not know what ignorance costs’</li> <li>- training helps prevent errors / corrects mistakes</li> <li>- employees will work smarter if trained and developed</li> <li>- it is an important intangible motivator</li> <li>- more skilled, adaptable productive workforce; is produced</li> <li>- employee commitment increased</li> <li>- retention rates improved / labour turnover reduced / training and re-training is cheaper than hiring new employees</li> <li>- often a statistical link between training and productivity, self-esteem of employees</li> <li>- short-term gain – long-term loss</li> </ul> </li> <li>• is training a cost or an investment?</li> <li>• limited investment on training and development may mean that the advantages listed above are not experienced and so business performance suffers.</li> </ul> <p><b>Evaluation 6 marks</b></p> <p><b>Note:</b> Judgements/conclusions may be made at any point in the essay as well as in a concluding section. Evaluation marks can be awarded even when the supporting Analysis and Application content is not strong in an answer.</p> <ul style="list-style-type: none"> <li>• a judgement/conclusion is made in respect of the potential impact of limited investment in employee training and development on business performance in any industry including a primary sector business</li> <li>• primary sector businesses include mining, forestry, fisheries, agriculture, quarrying</li> <li>• might the performance of these businesses be poor if training and development is limited</li> <li>• these businesses need skilled workers as much as other businesses</li> <li>• increasingly, more skilled workers needed in these businesses – jobs become more specialised, technological / professional / scientific skills now required in the dynamic environments of primary sector businesses.</li> <li>• So primary sector businesses are no different to other sector businesses in respect of the potential effect of limited investment in training and development?</li> </ul> <p><b>Accept any other valid response.</b></p>	

Question	Answer	Marks																		
7(a)	<p data-bbox="316 241 1313 280"><b>Analyse why mission statements are important to many businesses.</b></p> <table border="1" data-bbox="320 315 1308 837"> <thead> <tr> <th data-bbox="320 315 456 376">Level</th> <th data-bbox="456 315 1177 376">Description</th> <th data-bbox="1177 315 1308 376">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 376 456 477">4</td> <td data-bbox="456 376 1177 477">Good analysis of why mission statements are important to many businesses.</td> <td data-bbox="1177 376 1308 477">7–8</td> </tr> <tr> <td data-bbox="320 477 456 577">3</td> <td data-bbox="456 477 1177 577">Limited analysis of why mission statements are important to many businesses.</td> <td data-bbox="1177 477 1308 577">5–6</td> </tr> <tr> <td data-bbox="320 577 456 678">2</td> <td data-bbox="456 577 1177 678">Application of why mission statements are important to many businesses.</td> <td data-bbox="1177 577 1308 678">3–4</td> </tr> <tr> <td data-bbox="320 678 456 779">1</td> <td data-bbox="456 678 1177 779">Knowledge and understanding of mission statements.</td> <td data-bbox="1177 678 1308 779">1–2</td> </tr> <tr> <td data-bbox="320 779 456 837">0</td> <td data-bbox="456 779 1177 837">No creditable content</td> <td data-bbox="1177 779 1308 837">0</td> </tr> </tbody> </table> <p data-bbox="316 875 608 907">Answers may include:</p> <p data-bbox="316 943 871 974"><b>Knowledge and Understanding 2 marks</b></p> <ul data-bbox="316 976 935 1008" style="list-style-type: none"> <li>• Clear understanding of mission statements</li> </ul> <p data-bbox="316 1043 600 1075"><b>Application 2 marks</b></p> <ul data-bbox="316 1077 1197 1144" style="list-style-type: none"> <li>• Reference to the importance of mission statements in business situations</li> </ul> <p data-bbox="316 1180 560 1211"><b>Analysis 4 marks</b></p> <ul data-bbox="316 1214 1313 1769" style="list-style-type: none"> <li>• mission statements highlight and explain the core values, aims and organisational purpose to internal and external stakeholders</li> <li>• provide a strategic backcloth to operational objectives</li> <li>• often contain moral value judgements that encourage distinctive ethical behaviour</li> <li>• motivate employees with an organisational sense of purpose as they associate with the core principles expressed</li> <li>• inform and interest external stakeholders</li> <li>• act as a benchmark for measuring performance</li> <li>• it is argued that mission statements have severe limitations such as allegations of blandness, generality, ambiguity, often considered to lead to meaningless public relations / promotion exercises, rather than purposeful management devices</li> <li>• often poorly communicated and treated as cynical faddish statements by employees</li> <li>• <b>Accept any other valid response.</b></li> </ul>	Level	Description	Marks	4	Good analysis of why mission statements are important to many businesses.	7–8	3	Limited analysis of why mission statements are important to many businesses.	5–6	2	Application of why mission statements are important to many businesses.	3–4	1	Knowledge and understanding of mission statements.	1–2	0	No creditable content	0	8
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7(b)	<p data-bbox="316 248 1302 315"><b>Discuss why the shareholders of a public limited company might not support corporate social responsibility (CSR) as a business objective.</b></p> <table border="1" data-bbox="320 349 1308 1010"> <thead> <tr> <th data-bbox="320 349 456 414">Level</th> <th data-bbox="456 349 1177 414">Description</th> <th data-bbox="1177 349 1308 414">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 414 456 546">4</td> <td data-bbox="456 414 1177 546">Effective evaluation of why the shareholders of a public limited company might not support corporate social responsibility (CSR) as a business objective.</td> <td data-bbox="1177 414 1308 546">9–12</td> </tr> <tr> <td data-bbox="320 546 456 678">3</td> <td data-bbox="456 546 1177 678">Limited evaluation of why the shareholders of a public limited company might not support corporate social responsibility (CSR) as a business objective.</td> <td data-bbox="1177 546 1308 678">7–8</td> </tr> <tr> <td data-bbox="320 678 456 810">2</td> <td data-bbox="456 678 1177 810">Analysis and application of why the shareholders of a public limited company might not support corporate social responsibility (CSR) as a business objective.</td> <td data-bbox="1177 678 1308 810">3–6</td> </tr> <tr> <td data-bbox="320 810 456 943">1</td> <td data-bbox="456 810 1177 943">Knowledge and understanding of shareholders / public limited companies / CSR / business objectives.</td> <td data-bbox="1177 810 1308 943">1–2</td> </tr> <tr> <td data-bbox="320 943 456 1010">0</td> <td data-bbox="456 943 1177 1010">No creditable content.</td> <td data-bbox="1177 943 1308 1010">0</td> </tr> </tbody> </table> <p data-bbox="316 1043 606 1077">Answers may include:</p> <p data-bbox="316 1111 871 1144"><b>Knowledge and Understanding 2 marks</b></p> <ul data-bbox="316 1149 1276 1216" style="list-style-type: none"> <li>• clear understanding of shareholders of a public limited company (plc)</li> <li>• clear understanding of corporate social responsibility (CSR)</li> </ul> <p data-bbox="316 1249 598 1283"><b>Application 2 marks</b></p> <ul data-bbox="316 1288 1206 1321" style="list-style-type: none"> <li>• reference to the shareholders of a plc and their support for CSR</li> </ul> <p data-bbox="316 1355 560 1388"><b>Analysis 2 marks</b></p> <ul data-bbox="316 1393 1276 1731" style="list-style-type: none"> <li>• recognition that shareholders are just one of a number of business stakeholders</li> <li>• some stakeholders may see CSR as an urgent/important corporate objective</li> <li>• shareholders may well prefer objectives that lead to more profit (and hence dividends) in the short term</li> <li>• shareholders may well believe that it is the business of businesses to make profits, <b>not</b> to do social good</li> <li>• shareholders may believe ethical activity is sufficient – or compliance with legislation – <b>not</b> CSR</li> </ul> <p data-bbox="316 1765 587 1798"><b>Evaluation 6 marks</b></p> <p data-bbox="316 1832 384 1865"><b>Note</b></p> <p data-bbox="316 1899 1265 1966">Evaluation marks can be awarded <b>even when the supporting Analysis and Application content is not strong in an answer,</b></p>	Level	Description	Marks	4	Effective evaluation of why the shareholders of a public limited company might not support corporate social responsibility (CSR) as a business objective.	9–12	3	Limited evaluation of why the shareholders of a public limited company might not support corporate social responsibility (CSR) as a business objective.	7–8	2	Analysis and application of why the shareholders of a public limited company might not support corporate social responsibility (CSR) as a business objective.	3–6	1	Knowledge and understanding of shareholders / public limited companies / CSR / business objectives.	1–2	0	No creditable content.	0	12
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7(b)	<p>If you consider an answer deserves to <b>be placed in Level 2 based on Analysis and Application</b>, you should initially determine what that mark should be.</p> <p>If you also <b>identify rewardable Evaluation in that Level 2 answer</b> you should <b>add the appropriate number of Evaluation mark(s)</b> using the information set out below.</p> <ul style="list-style-type: none"> <li>• <b>Add up to 2 Evaluation marks</b> for some <i>limited general</i> evaluative comment</li> <li>• <b>Add 3 to 6 Evaluation marks</b> for some <i>developed contextual</i> evaluative comment.</li> <li>• a judgement/conclusion may be presented as to why shareholders may not support CSR</li> <li>• there may well be different kinds / types of shareholders in a plc and all may not be opposed to CSR</li> <li>• shareholder views may well be shaped/influenced by the economic/political market environment and/or by the views/influence of other stakeholders, such as the government, managers, local environment.</li> <li>• there may be a number of reasons, why shareholders may not support CSR as a business objective – the bottom-line motive may be the prime reason</li> <li>• some judgemental comments may be made on the implications of shareholders taking the short-term view rather than a longer-term perspective where long term reputational advantages could increase bottom line returns</li> <li>• <b>Accept any other valid response.</b></li> </ul>	