

Cambridge International AS & A Level

BUSINESS**9609/12**

Paper 1 Business Concepts 1

February/March 2025**MARK SCHEME**Maximum Mark: 40

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 February/March 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **29** printed pages.

PUBLISHED**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 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
	Correct point
	Incorrect point
	Knowledge
	Analysis
	Application
	Evaluation
	Development
	Benefit of the doubt
	Not answered question
	Too vague

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Annotation	Meaning
	Indicates that the point has been noted, but no credit given.
	Repetition
	Level one
	Level two
	Level three
	Off page comment. Allows comments to be entered at the bottom of the RM marking window and then displayed when the associated question item is navigated to.

Guidance on using levels-based mark schemes

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.

PUBLISHED**Mark Grids for Section A****Used for Q1(a), Q2(a) and Q3(a)**

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	2	Indicated by 2 ✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	1	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	0	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of one relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of one relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	1 mark Limited application of one relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	0 marks No creditable response.

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Question	Answer	Marks
1(a)	Define the term <i>intrapreneur</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding - employees in a business who think and act like entrepreneurs/take risks/innovative/creative/challenge existing practices/take responsibility for new projects which improve business performance (2) Partial understanding - employees who have new ideas (1) Accept all valid responses	2

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Question	Answer	Marks
1(b)	Explain <u>one</u> disadvantage of being a small business. Indicative content Responses may include: AO1 Knowledge and understanding – 1 mark K for identification of ONE disadvantage of being a small business. – put • uncompetitive • lack power in the market/low sales • lack experience • difficult to raise finance • financial risk is high • work long hours • income instability • uncertainty • lack of guidance • no economies of scale AO2 Application – 2 marks APP for developed application/explanation of one disadvantage – 1 mark APP for limited application/explanation of one disadvantage • economies of scale not possible – higher production costs – so prices may be high • suppliers and customers may prefer larger businesses which they trust • more established businesses have greater understanding of the market • lenders/investors may be unwilling to supply finance due to higher risk of failure • forced to take out loan – especially at start-up • limited resources especially in early stages • unreliable revenue streams – fluctuations – reliant on savings • uncertainty of survival – effect of external interruptions • lack of mentor or advice Accept all valid responses	3

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Question	Answer	Marks
2(a)	Define the term <i>psychographic market segmentation</i>. Indicative content Responses may include: AO1 Knowledge and understanding. Clear understanding • a form of market segmentation that divides consumers into sub-groups based on shared psychographic criteria such as lifestyles / personalities / values / social class / attitudes beliefs / interests / opinions / spending habits (2) Partial understanding • a research method/way of dividing consumers into sub-groups (1) Accept all valid responses	2

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Question	Answer	Marks
2(b)	Explain <u>one</u> factor that might influence the demand for a product. Indicative content Responses may include: AO1 Knowledge and understanding – 1 mark K for identification of one factor that might influence the demand for a product • income of customers • price of competitors' products • price of complementary products • marketing activities • change in customers' tastes • the price of the product • the particular features of the product AO2 Application – 2 marks APP for developed application/explanation of one factor – 1 mark APP for limited application/explanation of one factor • income affects how much of a product the customer is willing and able to buy • if competitors' products are cheaper the customers are more likely to buy them and vice versa • complementary products are bought together so an increase in price of one will reduce demand for the other and vice versa • effective marketing makes customers aware of a product and can increase demand • fashions and customer tastes can change which may increase or decrease demand for a product • if the price of the product becomes competitive the demand may increase • the product is given a special feature Accept all valid responses	3

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Question	Answer	Marks
3(a)	Define the term <i>indirect costs</i>. Indicative content Responses may include: AO1 Knowledge and understanding. Clear understanding - Costs that cannot be identified with a unit of production or allocated accurately to a cost centre / business expenses not related to making of products or delivering services / business expenses necessary for overall operation of a business / overhead expenses such as rent, utilities, depreciation, salaries (2) Partial understanding - An overhead cost (1) Accept all valid responses	2

PUBLISHED

Question	Answer	Marks
3(b)	Explain <u>one</u> benefit to a business of using budgets. Indicative content Responses may include: AO1 Knowledge and understanding – 1 mark K for identifying one benefit to a business of using budgets • prevents over-spending • assists in the control and appropriate allocation of resources • motivates employees • used to measure, monitor and review business/departmental/individual performance • helps to achieve objectives • improves quality of decisions • identifies problems before they occur • assists in planning for the future • easy to compare present with previous performance AO2 Application – 2 marks APP for developed application/explanation of one benefit to a business of using budgets – 1 mark APP for limited application/explanation of one benefit • each manager knows what they have available to use/spend within their department • employees are given responsibility to keep within a budget • can be used as part of an appraisal process for objectives and targets set • progress against budget can measure effectiveness of individual employees or departments • allows business to review/revise how it has performed in controlling/meeting its budgets • extra resources can be directed where they are most needed to improve business performance/efficiency • builds in financial accountability • future need to raise finance anticipated – future cash flow difficulties Accept all valid responses	3

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Question	Answer	Marks
4	Analyse <u>one</u> impact on employees of trade union involvement in the workplace. Indicative content Responses may include: AO1 Knowledge and understanding – 1 mark [K] for identifying ONE impact on employees of trade union involvement in the workplace • financial benefits • job security • participation in decision-making – collective bargaining • improved working conditions • motivation • may put employees into conflict situations with employers AO2 Application – 2 marks [APP] for developed application/explanation of one impact – 1 mark [APP] for limited application/explanation of one impact • maximising wages for every member by collective bargaining • union represents/supports employees threatened by redundancy • unions can encourage employers to include employees in job enrichment, redesign, etc • union negotiates with employers regarding health and safety needs • reference to Maslow/Herzberg • trade unions may dispute with employers AO3 Analysis – 2 marks [AN] for developed analysis of one impact – 1 mark [AN] for limited analysis of one impact • more power with trade unions than individual attempts so members can bargain for higher wages • unions will act on behalf of employees and support them during issues relating to job security	5

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Question	Answer	Marks
4	• employees will be motivated by more involvement in their role so enjoy their work more • better working conditions will protect employees from injury when they are at work • helps achieve Maslow's physiological needs and Herzberg's hygiene factors • employers may victimise trade union representatives Accept all valid responses	

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Question	Answer	Marks
5(a)	Analyse <u>two</u> limitations to a business of capital intensive operations. There are 8 marks in total for q 5(a) – 4 marks for each of the limitations analysed. 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding – 1 mark K for each limitation identified - expensive to set up - higher breakeven output - machinery may be designed for mass production only - can be inflexible - demotivates employees - skilled employees are needed to operate capital intensive operations AO2 Application – 1 mark APP for application of each limitation - new machinery must be purchased - fixed costs can be higher	8

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Question	Answer	Marks
5(a)	• large output of standardised product • may be difficult to adjust machines to produce different products • redundancies / less interest in work / stressful training / adaptation to new working style AO3 Analysis – 2 marks L2 AN for developed analysis of each limitation – 1 mark L1 AN for limited analysis of each limitation • in the short-term new machinery can be more expensive than employing workers to do the same job. The business may not be able to afford this without taking out a loan which is expensive to repay • more products will have to be made to reach the breakeven output and make a profit. This will increase variable costs and the supplier may not be able to supply the necessary raw materials/components • demand may not be high enough to require capital intensive production so a business might operate under capacity therefore wasting resources • difficult to customise products to individual customer needs/changes in customer demand. Niche market customers may be lost to competitors • less need for employees/less labour intensive/jobs of retained employees may be boring or require extra training. HR problems may increase and costs of changes to workforce may be too expensive to make a change to capital intensive operations Accept all valid responses	

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Question	Answer	Marks
5(b)	‘A soft drinks manufacturer must improve its sustainability in order to compete successfully.’ Evaluate this view. 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding – 2 marks for developed knowledge and understanding L2 K – 1 mark for limited knowledge and understanding L1 K • manufacturer – secondary production, raw materials/components to finished product • sustainability – prevent waste – use the minimum of non-renewable resources so levels of production are sustained in future • compete successfully	12

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Question	Answer	Marks
5(b)	AO2 Application/context – 2 marks for developed application/context L2 APP – 1 mark for limited application/context L1 APP • soft drinks – non-alcoholic e.g. fruit juices, cordials, soda, lemonade • packaging – bottles (glass, plastic), cartons, recycle, refill AO3 Analysis – 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN Importance/benefits of sustainability • reduces negative impact of operations on the environment – part of CSR objective • climate change pressure groups and bad media reports are reduced – these can disrupt production and/or reputation • customers increasingly interested in production methods – can influence purchasing decisions /expand customer base • may attract investors, employees and consumers who share values relating to sustainability • costs may be reduced through recycling and reusing resources or using fewer resources/less waste • governments may give support/grants to businesses to help improve sustainability Implications of sustainability – • costs of changing supply chain and/or production methods • reconsider what is produced e.g. low or no sugar soft drinks • find ways to be sustainable e.g. recyclable packaging, alternative energy • will involve change EVAL regarding HRM – planning, training	

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Question	Answer	Marks																		
5(b)	AO4 Evaluation – up to 6 marks for EVAL <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr> </table> <i>A judgement/decision is made on whether a soft drinks manufacturer must improve its sustainability if it is to compete successfully. These judgements/decisions may be made at any point in the essay but will normally be made in a concluding section.</i> • how sustainable are the operations of the business now/is it necessary/possible to improve further? • how competitive is the market/is there a threat from other businesses being more sustainable? • what is the attitude of customers to sustainability/will it make any difference to their buying habits? • how expensive will it be to adjust operations to become more sustainable/is it worth the cost? • how important is improving sustainability compared to the marketing mix, product development, quality of employees, external environment, etc? Accept all valid responses	Developed/Supported judgement in context	L3 EVAL	6 marks	Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks	Developed/Supported judgement without context	L2 EVAL	4 marks	Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks	Limited supported judgement	L1 EVAL	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark	
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Question	Answer	Marks
6(a)	Analyse <u>two</u> benefits to a business of using online recruitment methods. There are 8 marks in total for q 5(a) – 4 marks for each of the benefits analysed. 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding – 1 mark K for each benefit identified • cost effective • immediate/flexible • bigger audience • easy • more dynamic • accessible/targeted AO2 Application – 1 mark APP for application of each BENEFIT • pay as much or little as wanted • edit/update/remove advert in real time	8

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Question	Answer	Marks
6(a)	• advertisements can be global • process is clear, easy to understand and user friendly • creative e.g. video to show business and role • connect via internet – computer/laptop/tablet/phone • use social media e.g. LinkedIn, Facebook AO3 Analysis – 2 marks for developed analysis of each benefit L2 AN – 1 mark for limited analysis of each benefit L2 AN • managed properly can save money/avoids the cost of using other methods • interact with/update applicants as soon as changes to vacancy occur – speeds up recruitment process • online advertisements can be seen by potential applicants with internet connection globally • employers and potential applicants can contact each other more quickly and easily • makes business more attractive to applicants and might be more likely to apply • younger target market uses this method of research and communication more than others • one person who sees the advert can easily share with colleagues/friends/family Accept all valid responses	

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Question	Answer	Marks
6(b)	‘Improving employee morale and welfare is the most important role of human resource management (HRM) in an airline business.’ Evaluate this view. 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding – 2 marks for developed knowledge and understanding L2 K – 1 mark for limited knowledge and understanding L1 K • employee morale – satisfaction of employees within the workplace • employee welfare – facilities that are essential for the well-being of the employees • roles of HRM – workforce planning, recruitment, training, motivation, redundancy, dismissal	12

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Question	Answer	Marks																		
6(b)	AO2 Application/Context – 2 marks for developed application/contex L2 APP – 1 mark for limited application/contex L1 APP - likely causes of reduced morale and welfare – flights at anti-social hours, long periods away from home, standing for long periods of time, difficulty in moving along aisles, aggressive passengers, - airline business – training cabin staff in health and safety actions, customer service, recruiting experienced pilots, planning workforce for changes in seasonal demand (holiday periods) AO3 Analysis – 2 marks for developed application/contex L2 AN – 1 mark for limited application/contex L1 AN - importance/benefits of improving morale and welfare – employees will have safety and security needs met, may be less likely to leave the business, labour turnover is reduced, cost of recruitment is reduced, motivation might be increased, passengers will receive good customer service and will return, improve reputation of airline brand, could increase prices so more profit - drawbacks/limitations of improving morale and welfare – cost of provision of facilities for employees may be expensive and difficult e.g. space to relax during a long flight, nature of the work means long periods standing, customers may reduce morale due to their behaviour/attitude towards staff AO4 Evaluation – up to 6 marks fo EVAL <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr> </table>	Developed/Supported judgement in context	L3 EVAL	6 marks	Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks	Developed/Supported judgement without context	L2 EVAL	4 marks	Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks	Limited supported judgement	L1 EVAL	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark	
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Question	Answer	Marks
6(b)	<i>A judgement/decision may be made at any point in the essay as to the importance of employee morale and welfare but will normally be made in a final evaluation section</i> Consider whether other roles of HRM are important – • workforce planning – vital to anticipate future staff requirements in dynamic airline market, can seasonal contracts be used, how important is using employees as resources in meeting the objectives of the business? • recruitment – very important to have the best employees available for ground crew, flight crew and pilots – different skills and experience necessary and must follow correct/legal procedures • training – must offer appropriate type of training – cabin staff need different skills to pilots – safety vital in airline industry • motivation – financial/non-financial methods, prevent/reduce labour turnover and associated benefits/costs • redundancy – changing demand for flights e.g. seasonal fluctuations – reduce need for some employees, need to save cost • dismissal – safety failures and poor customer service ruin the airline's reputation and employees will have to leave • what is the current employee morale and welfare like/can it be improved further? • do employees feel that the business should focus on their morale and welfare or are other things more important to them? • morale and welfare probably meet safety and security needs but how important is achieving self-actualisation to workers? • is the importance of improving morale and welfare dependant on the type of employee e.g. pilots, cabin staff? Accept all valid responses	

PUBLISHED**Mark Grids for Section B****Used for Q5(a) and Q6(a)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.
1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

PUBLISHED**Mark Grids for Section B****Used for Q5(b) and Q6(b)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				5–6 marks Developed evaluation in context • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
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Cambridge International AS & A Level

BUSINESS**9609/22**

Paper 2 Business Concepts 2

February/March 2025**MARK SCHEME**Maximum Mark: 60

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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	To award
	For objective points that are correct.	Correct
	For objective points that are wrong.	Incorrect
	When there is a misunderstanding in a response.	Unclear
	When the candidate has attempted something, but the mark/skill has not been awarded.	Too Vague
	To highlight a point or section of an answer that justifies the mark/annotation.	Highlight
	When the candidate has attempted something, and the mark/skill has been awarded.	Benefit of doubt
	When the context has not been used.	Not using text
	To show a page/section has been seen/read.	Seen

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Annotation	Meaning	To award
NAQ	When the response is not focussed on answering the question.	Not answering question
REP	The repetition of a previous point in a response or the candidate is copying the case study/data.	Repetition
OFR	The own figure rule applies – acts as a mark/tick.	Own figure rule
K	When AO1 has been awarded. The number of Ks should match the mark awarded.	Knowledge (AO1) L1
		Knowledge (AO1) L2
APP	When AO2 has been awarded. The number of APPs should match the mark awarded.	Application (AO2) L1
		Application (AO2) L2
AN	When AO3 at Level 1 has been awarded.	Analysis (AO3) L1
DEV	When AO3 at Level 2 has been awarded.	Analysis (AO3) L2
EVAL	When AO4 at Level 1 has been awarded.	Evaluation (AO4) L1
E	When AO4 at Level 2 has been awarded.	Evaluation (AO4) L2
EE	When AO4 at Level 3 has been awarded.	Evaluation (AO4) L3

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.

Annotation

- 1 Every question must have at least one annotation e.g. <NAQ> if it is an NR and <X> or <seen> if 0 marks are awarded.
- 2 Every page of a script must have at least one annotation e.g. <BP> for a blank page.

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Question	Answer	Marks
1(a)(i)	Identify <u>one</u> method of measuring the size of a business. Indicative content Identification of a method ✓ may include: • Capital employed • Market capitalisation • Market share • Revenue (allow sales, sales turnover or turnover) • Quantity sold • Value of output • Number of employees • Area/space • Number of outlets • Number of customers Do not allow profit – which is a measure of success or performance, but not size. <i>If more than one answer is given, only mark the first, reading from top left to bottom right.</i> Accept all valid responses.	1

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Question	Answer		Marks
1(a)(ii)	Explain the term <i>primary sector</i> .		3
	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks	
		2 marks Developed application of one relevant point to a business context.	
	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	
	0 marks No creditable response.	0 marks No creditable response.	
	Indicative content AO1 Knowledge and understanding Knowledge of primary sector K will include (max 1 mark): - Natural resources / raw materials OR - An example of the <u>processes involved in the primary sector</u>, such as extraction/agriculture/farming/growing/fishing/mining etc. AO2 Application Explanation of primary sector APP will include (max 1 mark): - Natural resources / raw materials AND - An example of the <u>processes involved in the primary sector</u>, such as extraction/agriculture/farming/growing/fishing/mining etc.		

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Question	Answer	Marks																					
1(a)(ii)	Context applied to primary sector APP , including (max 1 mark): - Any example of primary sector, including: - A valid example of a primary sector business (do not allow FF as an example, unless it is clear that it is focussed on the farming element of the business (because it is in the primary <i>and</i> tertiary sectors). - A valid example of a primary sector product, such as 'fruit', 'oil' or 'metal' etc. Accept all valid responses <table border="1"> <thead> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>Businesses in the primary sector are involved in natural resources K. For example, Frank farms APP oranges APP .</td><td>3</td><td>An answer which starts with the knowledge and then has an example of the process and the product.</td></tr> <tr> <td>Businesses that extract APP raw materials K . For example, growing oranges APP .</td><td>3</td><td></td></tr> <tr> <td>A business could mine K coal APP , which has been dug up from the ground.</td><td>2</td><td></td></tr> <tr> <td>Getting things from nature K , such as farming APP .</td><td>2</td><td>Clear knowledge. Some application.</td></tr> <tr> <td>The extraction K of raw materials. APP</td><td>2</td><td>Not a perfect definition, but enough to award the knowledge mark. No attempt to apply.</td></tr> <tr> <td>It is about producing goods. TV</td><td>0</td><td>No knowledge of the primary sector. Too vague.</td></tr> </tbody> </table>	Exemplar and annotations	Mark	Rationale	Businesses in the primary sector are involved in natural resources K . For example, Frank farms APP oranges APP .	3	An answer which starts with the knowledge and then has an example of the process and the product.	Businesses that extract APP raw materials K . For example, growing oranges APP .	3		A business could mine K coal APP , which has been dug up from the ground.	2		Getting things from nature K , such as farming APP .	2	Clear knowledge. Some application.	The extraction K of raw materials. APP	2	Not a perfect definition, but enough to award the knowledge mark. No attempt to apply.	It is about producing goods. TV	0	No knowledge of the primary sector. Too vague.	
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Question	Answer	Marks
1(b)(i)	Refer to Table. 1.1. Calculate the number of oranges that Frank needs to sell to break even in July 2025. Indicative content Formula to find the break-even quantity $\frac{\text{Fixed costs}}{(\text{price per unit} - \text{variable cost per unit})} \quad (1)$ OR $\frac{\text{Fixed costs}}{\text{Contribution (1)}}$ Variable cost per unit = $\\$2825 / 5650$ = $\\$0.50$ (1) Contribution per unit = $\\$0.80 - \\$0.50$ = $\\$0.30$ (1) Final answer = $1350 / (\\$0.30)$ = 4500 (1) 4500 oranges or 4500 (3) <i>OFR applies for final answer and contribution per unit</i> ALT 1 $0.80 \times 5650 = 4520$ (total revenue) $4520 - 2825$ (TVC) = 1695 (total contribution) (1) $1695 / 5650$ = 0.30 (contribution per unit) (1) $1350 / 0.3$ = 4500 (1) 4500 oranges or 4500 (3)	3

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Question	Answer		Marks
1(b)(i)	Exemplar and annotations		
	Marks		
	3 marks	Correct answer 4500 oranges or 4500	Working and oranges/units/percentage sign do not matter.
	2 marks	BOTH of the following: • Correct formula • Correct calculation of variable cost per unit (\$0.50) OR Correct calculation of contribution per unit (\$0.30) OR An incorrect answer with one mistake allowing OFR for final stage.	To award two marks, there must be • Two ✓ and a ✗ OR • One ✓, one ✗ and one OFR OR • Two OFR and a ✗
	1 mark	One of the following: • Correct formula • Correct calculation of variable cost per unit	To award one mark, there must be: • One ✓ and two ✗
	0 marks	No creditable content.	To award zero marks, there must be a minimum of one ✗

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Question	Answer	Marks								
1(b)(ii)	Explain <u>one</u> limitation for Frank of using break-even analysis.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding Knowledge of a limitation of break-even analysis K :										
• Fixed costs may not be constant • Assumption that output equals sales. • Assumption that unit variable costs remain constant. • Assumption that price will remain constant. • Only useful for individual (or limited number of) product lines. • Does not take into account external changes. • Only a forecast/estimate. • Difficult to allocate fixed costs.										
AO2 Application Explanation of a limitation of using break-even analysis APP (max 1 mark), including:										
• Fixed costs may not be constant – may change in long run • Assumption that output equals sales – but not all output may be sold • Assumption that unit variable costs remain constant – but may not be at all output levels • Assumption that price will remain constant – but may not be at all output levels										

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Question	Answer	Marks															
1(b)(ii)	- Only useful for individual (or limited number of) product lines – must be done for each product - Does not take into account external changes – such as social, legal, economic, political, technological - Only a forecast/estimate – so may not be reliable. Context applied to FF APP (max 1 mark), including: - Frank is a sole trader - Frank grows the fruit sold on his farm - Frank sells the fruit from a market - Competitors are a national supermarket and fruit seller who sells from a shop - Freshness is Frank's USP / fruit is a perishable product - Competitive pricing - Objective is to increase profit by 10% by the end of 2026 Accept all valid responses. <table border="1"> <thead> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>A limitation is that it assumes that only one product is sold K because break-even analysis has to be done for each product APP. Frank sells oranges and lemons on his farm APP.</td><td>3</td><td>A clear limitation K that is explained APP and has context APP.</td></tr> <tr> <td>Assumes the selling price stays the same K which is not appropriate for Frank as he uses competitive pricing APP.</td><td>2</td><td>A limitation identified K. The context of Frank's pricing strategy is applied APP, but no explanation.</td></tr> <tr> <td>Assumes no stock of oranges are kept K so it is appropriate for Frank's business to make more profit NAQ.</td><td>1</td><td>Knowledge of a factor. The rest of the answer is not answering the question, so NAQ (Not Answering Question).</td></tr> <tr> <td>Break-even analysis does not tell Frank the amount of cash generated from selling oranges TV.</td><td>0</td><td>No valid knowledge is shown, so no marks can be awarded.</td></tr> </tbody> </table>	Exemplar and annotations	Mark	Rationale	A limitation is that it assumes that only one product is sold K because break-even analysis has to be done for each product APP . Frank sells oranges and lemons on his farm APP .	3	A clear limitation K that is explained APP and has context APP .	Assumes the selling price stays the same K which is not appropriate for Frank as he uses competitive pricing APP .	2	A limitation identified K . The context of Frank's pricing strategy is applied APP , but no explanation.	Assumes no stock of oranges are kept K so it is appropriate for Frank's business to make more profit NAQ .	1	Knowledge of a factor. The rest of the answer is not answering the question, so NAQ (Not Answering Question).	Break-even analysis does not tell Frank the amount of cash generated from selling oranges TV .	0	No valid knowledge is shown, so no marks can be awarded.	
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Question	Answer				Marks
1(c)	Analyse <u>two</u> benefits to Frank of operating as a sole trader.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
Annotate the first benefit in the left-hand margin and the second in the right-hand marking.					

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Question	Answer	Marks
1(c)	Indicative content AO1 Knowledge and understanding Knowledge of the benefits of operating as a sole trader (max K s), may include: • Keep all profit made / no sharing of profit • Can make all business decisions without having to consult other owners / no consultation • Total control • Freedom to choose own work hours • Can employ staff • Relatively low start-up costs • Financial data is private • Easy to set up / less administration AO2 Application <i>Max one APP for application in the first benefit and max on APP for application in the second benefit.</i> Application of knowledge of benefit of operating as a sole trader to Frank/FF (max APP s), including • Frank grows the fruit sold on his farm • Frank sells the fruit from a market • Frank used all of his redundancy money from his job with large company to set up the business • Competitors are a national supermarket and fruit seller who sells from a shop • Freshness is Frank's USP • Competitive pricing • Objective is to increase profit by 10% by the end of 2026 AO3 Analysis <i>Limited analysis: AN – candidate shows one link in the chain of analysis.</i> <i>Developed analysis: DEV candidate shows two or more links in the chain of analysis or a two-sided analysis.</i> • Frank is able to make all decisions. No time is wasted consulted with other owners which enables the decisions to be implemented quicker/before competitors and therefore generate more profit. • The sole trader can keep a larger amount of profit as it doesn't have to be shared with other owners. • The costs of setting up a sole trader are typically less than other forms of ownership so less capital will be needed to start the business. • The owner can choose their own working hours and so enjoy a better work-life balance. This can help the sole trader make better business decisions and increase its market share.	

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Question	Answer	Marks									
1(c)	<i>As a sole trader, there is no separate legal identity for FF. Therefore, any financial impact on the business, is also an impact on Frank and can be awarded as analysis and developed analysis.</i> Accept all valid responses. Exemplar and annotations <table border="1"> <thead> <tr> <th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr> </thead> <tbody> <tr> <td>Frank can keep all of the profit made as a sole trader K,</td><td>and it was his own redundancy money that he used to set up FF APP.</td><td>Which increases Franks income AN and could lead to a better lifestyle for him DEV.</td></tr> <tr> <td>It is easier and cheaper to set up as a sole trader K,</td><td>Which is likely to help Frank meet his 25% profitability target by 2021 APP.</td><td>This is because he will have lower setup costs AN and therefore increase the profit made from selling his fruit DEV.</td></tr> </tbody> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	Frank can keep all of the profit made as a sole trader K ,	and it was his own redundancy money that he used to set up FF APP .	Which increases Franks income AN and could lead to a better lifestyle for him DEV .	It is easier and cheaper to set up as a sole trader K ,	Which is likely to help Frank meet his 25% profitability target by 2021 APP .	This is because he will have lower setup costs AN and therefore increase the profit made from selling his fruit DEV .	
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Question	Answer				Marks
1(d)	Evaluate whether Frank should introduce price skimming.				12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	
	3				
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

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Question	Answer	Marks
1(d)	Indicative content AO1 Knowledge and understanding Knowledge of price skimming (max 1 K s), including: • Price skimming is where a product is priced at a higher price than competitors • Maximises the selling price • May create a luxurious/exclusive product image • Often used for a new product to the market or where a producer has a strong USP (so a high price can be charged) • Price may need to be reduced as the market becomes more competitive • Low price elasticity of demand (inelastic PED, so high price can be charged) AO2 Application <i>Limited application</i> APP <i>applies knowledge of cost information to OFD once.</i> <i>Developed application</i> APP -APP <i>applies knowledge of cost information to OFD twice.</i> • Frank is a sole trader • Frank grows the fruit sold on his farm • Frank sells the fruit from a market • Frank used all of his redundancy money from his job with large company to set up the business • Competitors are a national supermarket and fruit seller who sells from a shop • Freshness is Frank's USP • Competitive pricing • Objective is to increase profit by 10% by the end of 2026 AO3 Analysis <i>Limited analysis</i> AN <i>– candidate shows one link in the chain of analysis.</i> <i>Developed analysis</i> DEV <i>– candidate shows two or more links in the chain of analysis.</i> • Price skimming means that a higher price will be charged for the oranges. Assuming that the costs remain the same, Frank will make a higher profit per orange sold. • Frank has a USP for freshness which gives his products an advantage over competitors. This quality may mean that demand for the product will be retained at current levels despite the increase in price. Customers may be less sensitive to increases in price. • Increase in price may mean that demand reduces by a larger proportion so Frank's profitability will reduce. • Competitive pricing means that Frank's products will not have an advantage/disadvantage compared to the prices charged by competitors. Currently uses competitive pricing so demand will remain the same.	

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Question	Answer	Marks									
1(d)	- Frank sells his products from a market so overheads likely to be lower than those of the supermarket and shop so Frank's profitability is likely to be higher than his main competitors. AO4 Evaluation Limited evaluation EVAL - unsupported judgement and/or a weak attempt at evaluative comment Developed evaluation E – supported judgement and/or reasonable evaluative comment Developed evaluation in context EE – supported judgement in context and/or reasonable evaluative comment in context. - The impact on profitability depends on the price elasticity of demand. - Frank has a USP for freshness which gives his products an advantage over competitors. This quality may mean that demand for the product will be retained at current levels despite the increase in price. Customers may be less sensitive to increases in price. - Impact of other external factors - A judgement that other factors are more important than price alone. Accept all valid responses. Exemplars for awarding evaluation <table border="1"> <thead> <tr> <th>L1 EVAL (limited supporting evidence)</th><th>L2 E (developed supporting evidence)</th><th>L3 EE (developed supporting evidence with context)</th></tr> </thead> <tbody> <tr> <td>He should introduce price skimming.</td><td>He should introduce price skimming because this will allow him to have a much higher level of profitability for his products.</td><td>He should introduce price skimming because this will allow him to have a much higher level of profitability for his products and meet his objective of increasing profit by 10%</td></tr> <tr> <td>It depends upon the reaction of Frank's customers to the price skimming.</td><td>It depends upon the reaction of Frank's customers to the price skimming. If customers are price elastic, then he should not introduce it.</td><td>It depends upon the reaction of Frank's customers to the price skimming. If customers are price elastic, then he should not introduce it because customers will simply choose to shop at the national supermarket.</td></tr> </tbody> </table>	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	He should introduce price skimming.	He should introduce price skimming because this will allow him to have a much higher level of profitability for his products.	He should introduce price skimming because this will allow him to have a much higher level of profitability for his products and meet his objective of increasing profit by 10%	It depends upon the reaction of Frank's customers to the price skimming.	It depends upon the reaction of Frank's customers to the price skimming. If customers are price elastic, then he should not introduce it.	It depends upon the reaction of Frank's customers to the price skimming. If customers are price elastic, then he should not introduce it because customers will simply choose to shop at the national supermarket.	
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Question	Answer	Marks
2(a)(i)	Identify <u>one</u> method of primary market research. <i>Primary research is the first-hand collection of data by an organisation for its own needs. Award any <u>method</u> that meets this definition.</i> Identification of a primary market research ✓ may include: • Questionnaires/surveys/feedback • Focus groups • Interviews • Observations • Consumer trials/samples	1

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Question	Answer	Marks								
2(a)(ii)	Explain the term <i>qualitative data</i> .	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding Knowledge of qualitative data K may include: - Qualitative data describes customer opinions/qualities/characteristics/subjective. OR - Qualitative data is not measurable in financial or numerical terms.										
AO2 Application Explanation of qualitative data APP (max 1 mark), including: - Qualitative data describes customer opinions/qualities/characteristics/subjective. AND - Qualitative data is not measurable in financial or numerical terms.										
Context applied to qualitative data APP (max 1 mark), including: - An example of a specific piece of qualitative data - An example of a use of qualitative data - An example of a way of presenting/summarising/analysing										

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Question	Answer	Marks																					
2(a)(ii)	<i>Application can be made to RCR or any other scenario/context/business/person.</i> Accept all valid responses. <table> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> <tr> <td>Qualitative data is not numerical K. For example, the owners can obtain data about customers' satisfaction APP with the speed of car repairs APP.</td><td>3</td><td>Both points covered (K and APP) with an example from the context (APP).</td></tr> <tr> <td>Data about customer views and opinions K which is not measurable APP for example happiness APP.</td><td>3</td><td>Both points and a generic (but rewardable) example.</td></tr> <tr> <td>Not numbers K such as opinions APP.</td><td>2</td><td>Both points but no further example.</td></tr> <tr> <td>Data which can not be measured K, such as how much customers like a chocolate bar APP.</td><td>2</td><td>Can not be measured and an example.</td></tr> <tr> <td>Qualitative data is harder to analyse as it includes information about customer opinions and characteristics K.</td><td>1</td><td>Opinions and characteristics, but only one point and no context.</td></tr> <tr> <td>Data that can be used to make decisions. TV</td><td>0</td><td>Too vague. All data can be used to make decisions. No knowledge of qualitative data specifically.</td></tr> </table>	Exemplar and annotations	Mark	Rationale	Qualitative data is not numerical K . For example, the owners can obtain data about customers' satisfaction APP with the speed of car repairs APP .	3	Both points covered (K and APP) with an example from the context (APP).	Data about customer views and opinions K which is not measurable APP for example happiness APP .	3	Both points and a generic (but rewardable) example.	Not numbers K such as opinions APP .	2	Both points but no further example.	Data which can not be measured K , such as how much customers like a chocolate bar APP .	2	Can not be measured and an example.	Qualitative data is harder to analyse as it includes information about customer opinions and characteristics K .	1	Opinions and characteristics, but only one point and no context.	Data that can be used to make decisions. TV	0	Too vague. All data can be used to make decisions. No knowledge of qualitative data specifically.	
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Data that can be used to make decisions. TV	0	Too vague. All data can be used to make decisions. No knowledge of qualitative data specifically.																					

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Question	Answer	Marks
2(b)(i)	Refer to Table 2.1 and other information. Calculate the market growth for car repairs in city B between 2023 and 2024. Total value of sales in market (2023) = \$700 000 (given in text) Formula: $\frac{\text{New market size}}{\text{Original market size}} \times 100 \quad (1)$ OR The percentage change in the total size of a market (1) OR Total value of sales in market (2024) = $(123\,165 / 17) \times 100 = 7245 \times 100 = 724\,500$ (1) Market growth = $724\,500 - 700\,000 = 24\,500$ (1) Answer = \$24 500 (3)	3

PUBLISHED

Question	Answer		Marks
2(b)(i)	Exemplar and annotations		
	Marks		
	3 marks	Correct answer \$24 500 or 24 500 OR 3.5% or 3.5	
	2 marks	ONE of the following: • Correct calculation of 2024 market size (724 500) OR An incorrect answer with one mistake allowing OFR for final stage.	
	1 mark	One of the following: • Correct formula	
	0 marks	No creditable content.	

Working and units do not matter.
Must be three ✓ to denote the three marks.

To award two marks, there must be
 • Two ✓ and a ✗
OR
 • One ✓, one ✗ and one OFR

To award one mark, there must be:
 • One ✓ and two ✗

To award zero marks, there must be
 • Three ✗

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Question	Answer	Marks								
2(b)(ii)	Explain <u>one</u> reason why RCR's objectives may change over time.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding Knowledge of a reason why objectives might change K may include:										
• changing internal factors • changing external factors • the achievement of previous objectives.										
AO2 Application Explanation of a reason why business objectives may change over time APP (max 1 mark), including:										
• changing internal factors – the business might have more resources available – a significant number of workers may have left – a new manager employed. • changing external factors – new competitors enter the market – an increase in market size – customer demand changes										

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Question	Answer	Marks
2(b)(ii)	- the achievement of previous objectives – if a business has survived then it may now try to be profitable Context applied to a reason why RCR's objectives may change over time APP (max 1 mark) including: - RCR is a partnership - Business operated for five years - Repair a wide range of cars - Freya carried out primary market research to understand her customer's needs and wants - Collected qualitative data - Customers like the speed of RCR's service - RCR's market share has increased annually over the past five years - RCR has a 17% share of the market - Employ two mechanics - Kye uses a democratic style of management - Experienced mechanics who have worked for the business since it started five years ago - Holds a large quantity of inventory - Each car type needs different parts - Buys parts from two suppliers - Suppliers have supplied RCR since it started five years ago - RCR has an objective of increasing efficiency - Partners thinking of introducing Just in Time (JIT). Accept all valid responses.	

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Question	Answer			Marks
2(b)(ii)	Exemplar and annotations	Mark	Rationale	
	Once RCR has achieved its business objectives they will need to change K . For example RCR may have previously had an objective to have at least a 15% share of the market when it was set up five years ago APP , but now the business has a 17% share of the market APP .	3	Reasonable knowledge of a reason with two examples of application.	
	The business may face more competition K so may need to change its objective from increasing efficiency APP .	2	Knowledge of a reason (competition is an external influence) and some context.	
	New objectives may be needed if internal factors change K .	1	The answer is brief, but shows some knowledge of why objectives may change over time	
	Objectives give owners direction when making business decisions NAQ .	0	There is no knowledge of a reason why objectives may change, so no marks can be awarded.	

Question	Answer				Marks
2(c)	Analyse <u>two</u> advantages to RCR of Kye using a democratic management style.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
Annotate the first advantage in the left-hand margin and the second in the right-hand marking.					

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Question	Answer	Marks
2(c)	Indicative content AO1 Knowledge and understanding Democratic management style is where the manager actively involves employees in decision making. Knowledge of advantages of using a democratic management style (max 1 s), may include: • Increased motivation • Low labour turnover • More ideas from workforce • Better ideas from workforce (potentially) • More experiences are considered in decision making • May allows for more efficient problem solving (do not accept 'quicker' unless this is explained) AO2 Application Max one 1 for application in one advantage and max two 1 for application in two advantages. • RCR is a partnership • Business operated for five years • Repair a wide range of cars • Freya carried out primary market research to understand her customer's needs and wants • Collected qualitative data • Customers like the speed of RCR's service • RCR's market share has increased annually over the past five years • RCR has a 17% share of the market • Freya and Kye have no experience of repairing cars • Employ two mechanics • Experienced mechanics who have worked for the business since it started five years ago • Holds a large quantity of inventory • Each car type needs different parts • Buys parts from two suppliers • RCR has an objective of increasing efficiency AO3 Analysis Limited analysis: 1 – candidate shows one link in the chain of analysis. Developed analysis: 2 – candidate shows two or more links in the chain of analysis or a two-sided analysis.	

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Question	Answer	Marks								
2(c)	Analysis of advantages may include: • RCR’s customers like the speed of service offered. The employees are likely to be more motivated as consulted about decisions. Motivated employees are likely to be more productive and offer a quicker work rate. • Two employees are experienced and worked for RCR since it was launched so contributions are likely to lead to more successful decision making, increasing profitability/customer satisfaction. • Lower recruitment costs/time to train new employees etc. due to the low level of labour turnover. Accept all valid responses. Exemplar and annotations <table><tr><th></th><th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr><tr><td>Exemplar of an advantage</td><td>Better decision making K</td><td>as the opinions of the two mechanics can be considered APP .</td><td>This could help the business to identify other ways of increasing efficiencyAN which could help it to operate more profitably DEV .</td></tr></table>		AO1 Knowledge	AO2 Application	AO3 Analysis	Exemplar of an advantage	Better decision making K	as the opinions of the two mechanics can be considered APP .	This could help the business to identify other ways of increasing efficiency AN which could help it to operate more profitably DEV .	
	AO1 Knowledge	AO2 Application	AO3 Analysis							
Exemplar of an advantage	Better decision making K	as the opinions of the two mechanics can be considered APP .	This could help the business to identify other ways of increasing efficiency AN which could help it to operate more profitably DEV .							

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Question	Answer				Marks
2(d)	Evaluate whether RCR should introduce Just in Time (JIT).				12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	
	3				
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

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Question	Answer	Marks
2(d)	Indicative content AO1 Knowledge and understanding Knowledge of JIT (max 2 [K] s), including: • JIT is an inventory management system • JIT is where inventory is ordered to be delivered at the time that the part is needed by the business. • Less/zero inventory held • JIT is often used when the customer order initiates the ordering of inventory. AO2 Application <i>Limited application</i> [APP] applies knowledge of the use of JIT to RCR once. <i>Developed application</i> [APP] [APP] applies knowledge of the use of JIT to RCR twice. • RCR is a partnership • Business operated for five years • Repair a wide range of cars • Freya carried out primary market research to understand her customer's needs and wants • Collected qualitative data • Customers like the speed of RCR's service • RCR's market share has increased annually over the past five years • RCR has a 17% share of the market • Freya and Kye have no experience of repairing cars • Employ two mechanics • Kye uses a democratic style of management • Experienced mechanics who have worked for the business since it started five years ago • Holds a large quantity of inventory • Each car type needs different parts • Buys parts from two suppliers • RCR has an objective of increasing efficiency	

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Question	Answer	Marks
2(d)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis. Analysis for the introduction of JIT, including: • Reduces inventory holding costs – increased profitability • May reduce wastage of materials/inventory – reducing total costs • Reduces capital tied up in inventory – which could be spent on extra marketing to increase sales (opportunity cost) • Responsive to changes in demand – reducing costs / increasing efficiency • Improved cash flow – improving RCR's liquidity/ working capital (opportunity cost) • May improve supplier relationship – reduced prices / increased demand Analysis against the introduction of JIT, including: • Business would be vulnerable to supply chain disruptions – lower sales / poor customer satisfaction • May exacerbate poor supplier relationships – need to find a new/ more reliable supplier. • Increased transportation costs (due to more deliveries) – reduced profitability • Increased inefficiency (if inventory is not delivered on time) – reduced productivity • Less control over supply chain – increased costs • May not be suitable for large fluctuations/ unexpected changes in demand – lower sales/revenue • Requires careful coordination of production process and inventory ordering – increased training costs AO4 Evaluation <i>Limited evaluation</i> EVAL – unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> E – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context. • A judgement whether RCR should introduce JIT, with justification. • A judgement that RCR should continue without using JIT (or continue to use Just in Case – JIC). • What the judgement might depend upon, such as, suppliers, geography, objectives, external environment, actions of competitors, short term vs long term etc. • A discussion of the impact of technology (for example electric cars) on RCR's decision. Accept all valid responses.	

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Question	Answer			Marks
2(d)	Exemplars for awarding evaluation			
	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	
	RCR should introduce JIT.	RCR should introduce JIT to avoid having to have lots of inventory in stock.	RCR should introduce JIT to avoid having to have lots of car components in stock.	
	RCR should not introduce JIT.	RCR should not introduce JIT because most customers want a speedy repairs.	RCR should not introduce JIT because most customers want a speedy repairs, in 24 hours.	
	Whether RCR should introduce JIT depends on the relationship with its suppliers.	Whether RCR should introduce JIT depends on the relationship with its suppliers because they will need regular supplies delivered.	Whether RCR should introduce JIT depends on the relationship with its suppliers because they will need regular supplies delivered to achieve its objective of increasing efficiency.	



Cambridge International AS & A Level

BUSINESS

9609/12

Paper 1 Business Concepts 1

February/March 2025

1 hour 15 minutes



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
 - Section A: answer **all** questions.
 - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

- 1 (a) Define the term *intrapreneur*. [2]
 (b) Explain **one** disadvantage of being a small business. [3]
- 2 (a) Define the term *psychographic market segmentation*. [2]
 (b) Explain **one** factor that might influence the demand for a product. [3]
- 3 (a) Define the term *indirect costs*. [2]
 (b) Explain **one** benefit to a business of using budgets. [3]
- 4 Analyse **one** impact on employees of trade union involvement in the workplace. [5]

Section B

Answer **one** question only.

EITHER

- 5 (a) Analyse **two** limitations to a business of capital intensive operations. [8]
 (b) 'A soft drinks manufacturer must improve its sustainability in order to compete successfully.'
 Evaluate this view. [12]

OR

- 6 (a) Analyse **two** benefits to a business of using online recruitment methods. [8]
 (b) 'Improving employee morale and welfare is the most important role of human resource management (HRM) in an airline business.'
 Evaluate this view. [12]

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Cambridge International AS & A Level

BUSINESS

9609/22

Paper 2 Business Concepts 2

February/March 2025

1 hour 30 minutes



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [].

This document has **4** pages. Any blank pages are indicated.

1 Frank's Fruits (FF)

Frank grows fruit, including oranges, on his farm in country J. He sells his fruit at a market in a local city one day a week. Frank is a sole trader and operates in the primary and tertiary sectors. He set up FF using all of his redundancy money from a previous job with a large company.

Frank's business objective is to increase profit by 10% by the end of 2026. He also has a target profitability of 25% by the same date. He uses the data from break-even analysis to make business decisions.

5

Table 1.1 shows forecast data for the sale of oranges in July 2025.

Table 1.1 Forecast data for FF–July 2025

Sales (number of oranges)	5650
Total allocated fixed costs (\$)	1350
Total variable costs (\$)	2825
Selling price per orange (\$)	0.80

10

Frank has two main competitors:

- a national supermarket with stores locally
- a shop in the local city selling fruit.

15

Frank's business is very successful as the fruit he sells is fresher than products sold by his competitors. This is Frank's USP. His fruit is sold only a few hours after it is picked. However, the fruit sold by Frank's competitors is grown hundreds of kilometres away. Customers also enjoy the range of fruit sold by Frank as it varies throughout the year.

20

Frank currently uses competitive pricing but is thinking of introducing price skimming in the future.

- (a) (i) Identify **one** method of measuring the size of a business. [1]
- (ii) Explain the term *primary sector*. [3]
- (b) (i) Refer to Table 1.1. Calculate the number of oranges that Frank needs to sell to break even in July 2025. [3]
- (ii) Explain **one** limitation for Frank of using break-even analysis. [3]
- (c) Analyse **two** benefits to Frank of operating as a sole trader. [8]
- (d) Evaluate whether Frank should introduce price skimming. [12]

2 Reliable Car Repairs (RCR)

Reliable Car Repairs (RCR) is owned by Freya and her brother Kye as a partnership. The business was set up five years ago in city B and repairs a wide range of cars.

Freya recently carried out some primary market research. The qualitative data from the market research showed that customers like the speed of RCR's service as many repairs were completed within 24 hours.

5

RCR's market share has increased annually over the past five years. The total sales in the market in 2023 were \$700 000. Table 2.1 shows RCR's data for 2024.

Table 2.1 RCR's market share and sales

	Market share	RCR's total sales
2024	17%	\$123 165

10

The owners are always looking to improve the performance of the business and have an objective of increasing efficiency.

Freya and Kye have no experience of repairing cars and so employ two mechanics to carry out this work. The mechanics have both been employed by the business since it was set up. Kye supervises the mechanics using a democratic management style.

15

The business holds a large quantity of inventory as different cars need different components. The business buys components from two suppliers which have both supplied RCR since it was set up. The partners are thinking of introducing Just in Time (JIT).

- (a) (i) Identify **one** method of primary market research. [1]
- (ii) Explain the term *qualitative data*. [3]
- (b) (i) Refer to Table 2.1 and other information. Calculate the market growth for car repairs in city B between 2023 and 2024. [3]
- (ii) Explain **one** reason why RCR's objectives may change over time. [3]
- (c) Analyse **two** advantages to RCR of Kye using a democratic management style. [8]
- (d) Evaluate whether RCR should introduce Just in Time (JIT). [12]

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Cambridge International AS & A Level

BUSINESS**9609/11**

Paper 1 Business Concepts 1

May/June 2025**MARK SCHEME**Maximum Mark: 40

Published

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

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

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

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **35** printed pages.

PUBLISHED**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 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.

PUBLISHED**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
	Indicates a point which is relevant and rewardable.
	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Indicates knowledge and understanding of the concepts and issues relating to the question.
	Indicates where application is made to an appropriate business context.
	Indicates where the answer has demonstrated analysis – questions 4, 5(a), 5(b), 6(a) and 6(b) .
	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
	Used when the benefit of the doubt is given in order to reward a response.
	Used when the answer or parts of the answer are not answering the question asked.
	Used when parts of the answer are considered to be too vague
	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	Used to view PE comments on practice scripts only – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

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.

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	2	Indicated by 2 ✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	1	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	0	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of one relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of one relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	1 mark Limited application of one relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	0 marks No creditable response.

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Question	Answer	Marks
1(a)	Define the term <i>job enrichment</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding • Job enrichment involves increasing the range/ interest/challenge/responsibility/complexity of jobs to further motivate an employee (2) • Occurs when employees' jobs are redesigned to provide them with more challenging and complex tasks (2) Partial understanding • Give employees different work to do (1) Accept all valid responses.	2

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Question	Answer	Marks
1(b)	Explain <u>one</u> disadvantage to a business of using empowerment to motivate employees. There are 3 marks for this question: 1 mark for K 2 marks for APP Indicative content Responses may include: AO1 Knowledge and understanding 1 mark K for identifying one disadvantage of using empowerment to motivate employees • Employees lack ability/experience to respond • Decisions are poorer • Business is less efficient • Employees become de-motivated • Employees more stressed • Some employees may leave. • Empowerment may not work/may not last	3

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Question	Answer	Marks
1(b)	AO2 Application 2 marks for developed APP of the disadvantage given 1 mark for limited APP of the disadvantage given • Employees may not be capable of taking more control of their work – might lead to de-motivated employees. • Empowerment may mean decisions are made by less experienced and less expert personnel – increasing the number of mistakes made and increasing risk. • May lead to decreased efficiency – autonomous employees may work independently and decide to work more slowly and/or work at the pace of the slowest – less collaboration and teamwork. • Relationships between managers and employees become blurred – boundaries of authority broken in a flatter, more streamlined structure – managers may lose control. • Employees stress increases, morale decreases in a preference for alternative forms of motivation. • Empowered employees become more attractive to competitors (risk of staff poaching). • May not work as some employees are only motivated by financial benefits e.g. bonus Accept all valid responses.	

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Question	Answer	Marks
2(a)	Define the term <i>price discrimination</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding • The policy of selling the same product at different prices (1) to different buyers (1) Partial understanding • Selling a product at different prices (1) • Setting different prices for different people (1) Accept all valid responses.	2

Question	Answer	Marks
2(b)	Explain <u>one</u> disadvantage to a business of using competitive pricing. There are 3 marks for this question: 1 mark for K 2 marks for APP Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one disadvantage of using competitive pricing • Competitive pricing may mean a business makes a loss • Competitive pricing may force prices down/lower in the long turn • Could lead to business failure • Could lead to a price war • Could deflect a business from other objectives • May mean too much concern for competitor actions. • May lead to lower/less sales	3

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Question	Answer	Marks
2(b)	AO2 Application 2 marks for developed APP of the disadvantage given 1 mark for limited APP of the disadvantage given • A business that sets prices solely on competitor prices might risk selling at a loss as it may not be able to cover its manufacturing costs or business overhead expenses. • Competing using competitor prices (lower) might give a competitive edge in the short term, only as competitors fight back with lower prices. • Could lead to lower profit margins and increase the risk of failure, especially true of businesses with few financial resources. • May be difficult and costly to discover competitor prices – need to hire pricing teams or purchasing automated competitor pricing monitoring tool. • Could lead to a price war and even if a business can sustain low prices, customers may see the low-price product as an inferior product. • A sole focus on competitive pricing might deflect a business from concerns for quality and added value. • Too much focus on competitor's prices may also mean too much time spent on competitors, to the detriment of insufficient time spent on internal issues such as strengthening its USP and competitive edge (other than price points). Accept all valid responses.	

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Question	Answer	Marks
3(a)	Define the term capital intensive operations. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding - Capital intensive operations involve business processes/production that require large amounts of capital expenditure/machinery/equipment (1) compared to labour (1) Partial understanding - Production/business processes that need capital (1) Accept all valid responses.	2

Question	Answer	Marks
3(b)	Explain <u>one</u> limitation to a business of labour intensive operations. There are 3 marks for this question: 1 mark for K 2 marks for APP Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one limitation of using labour intensive operations • Expertise, experience of employees can vary • Skilled workers may take time to train. • It can be more expensive • Relatively inefficient and inconsistent/unreliable levels of effort/not as fast as machines • Labour relations problems. • Difficulty of replacing/recruiting staff.	3

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Question	Answer	Marks
3(b)	AO2 Application 2 marks for developed APP of the limitation given 1 mark for limited APP of the limitation given Production processes that have a high level of labour input and a low level of capital input may have the following limitations: • Variable levels of labour expertise and experience may lead to variable levels of product quality. • The training and re-training of employees may be very expensive and may disrupt the production process. • Due to lower productivity the unit cost may be higher than capital intensive operations • Unable to reach the consistency levels of machine production-employees fall ill and take holidays. • Employees may seek better conditions leading to disputes, strikes, unionisation. • Labour turnover may be high, competitive markets for labour may mean labour shortages-growth targets threatened. Accept all valid responses	

Question	Answer	Marks
4	Analyse <u>one</u> way a business might fail as a consequence of lack of finance. There are 5 marks for this question: 1 mark for K 2 marks for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for K identifying one way a business might fail due to lack of finance Inability to: • sustain cashflows • provide working capital • build up reserves • pay suppliers/variable costs • invest • obtain sources of finance • maintain quality/innovation/research and development • to recruit managers • bankruptcy/insolvency/administration/liquidity issues	5

Question	Answer	Marks
4	AO2 Application 2 marks for developed APP of the chosen way identified 1 mark for limited APP of the chosen way given • A lack of finance may undermine a business's capacity to survive at various times and in various situation • Such as the inability to purchase essential equipment • An inability to cover day-to-day expenses (paying wages and suppliers) • An inability to build up reserves in times of recession • An inability to support essential growth and expansion plans. AO3 Analysis 2 marks for developed AN of the chosen way 1 mark for limited AN of the chosen way • Insufficient start-up finance can lead to early business failure – significant capital investment is likely to be needed to provide an adequate infrastructure for survival, e.g. purchase of adequate equipment, hire of appropriate labour, initial launch expenditure and publicity material. Without sufficient finance, such an initial set of essential requirements will not be met, resulting in the likely collapse of a business. • A business is likely to fail if it doesn't maintain adequate positive cash flows and sustain an adequate level of working capital. Poor financial management can lead to high inventory levels, an excessive number of debtors, and an inability to cover day-to-day activity expenses. If a business is unable to pay bills (especially suppliers) and pay employees, it will be unable to operate – businesses need to have several months of working capital in reserve as a buffer against delayed incoming payments. • A business to be successful may need to continuously expand and grow – develop new products and expand into new markets. This growth and expansion requires funding and without an effective financial structure in place, businesses that are unable to expand are at risk of being left behind by competitors and eventually failing. • Businesses need sufficient finance to respond to adverse economic conditions – unexpected recessions and depressions – the progress of any business is rarely linear – sufficient finance is needed for a business to survive challenging times – a lack of contingency finance can result in business failure. Accept all valid responses.	

Question	Answer	Marks
5(a)	Analyse <u>two</u> ways business enterprise can help the development of a country. There are 8 marks in total for Q5(a) 4 marks for each of the ways business enterprise can help the development of a country. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for K identifying one way business enterprise can help the development of a country – repeat for a second way identified. NOTE: The impact of enterprise can be within a business enterprise or within the wider economy • Stimulates economic activity • Stimulates and improves social welfare • Leads to economic growth • Market demand for goods and services is increased • Innovation leads to new products • Jobs are created • Consumer spending is stimulated • Export opportunities exploited • Bring factors of production together with entrepreneurial spirit and purpose, creating dynamism in an economy	8

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Question	Answer	Marks
5(a)	AO2 Application 1 mark for APP of a one chosen way identified - repeat this for the application of a second identified way. • In market economies, business enterprise acts as the wheels of economic growth and development. Un-utilised resources, labour and capital are utilised efficiently. • Entrepreneurs stimulate a business enterprise culture and thrive within it, creating new products and services, stimulating new employment and accelerate economic growth and development. Stimulates and improves social welfare – such as electricity for all AO3 Analysis 2 marks for developed AN of one chosen way – repeat for second identified way 1 mark for limited AN of one chosen way – repeat for second identified way • Business enterprise stimulates new business formation, providing choice, dynamism, competition and employment, often locally owned and committed to local areas, and act as seedbeds for further development. • Business enterprise cultures lead to the creation of new jobs and opportunities – often entry level jobs to turn unskilled job holders into skilled ones and prepares and provides experienced works for larger industries. • Business enterprise initiatives bring innovation and creativity to countries – resources are used effectively as new and improved products, services, and technologies are developed, leading to the generation of new wealth, higher tax revenues, allowing governments to offer citizens more benefits. • Business enterprise encourages research and development to solve problems that existing products and technology have not yet solved – bring innovation to existing products – secure new finance and experiment with new approaches to business functions, such as HRM, Operations, Finance, and Marketing. • The economic benefit of business enterprise may create the income and wealth for social change and development by reducing a dependency on obsolete methods, systems and technologies – the opportunity for improved lifestyles and better economic choice. Accept all valid responses.	

Question	Answer	Marks
5(b)	‘Intrapreneurship is the most important factor that will ensure the success of a computer entertainment business.’ Evaluate this view. There are 12 marks for Q5(b) 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge and understanding L2 K 1 mark for limited knowledge and understanding L1 K • Intrapreneurs are part of a business system and environment that allows employees to act like entrepreneurs within a business, who promote new ideas, inspire creativity, and take proactive steps to improve business operations – a source of innovation within an organisation. • The risks taken by intrapreneurs are absorbed by the business as the formal and informal structures and processes are exploited by intrapreneurs to introduce new ideas, carve out new paths, initiate new ventures and drive organisational change. • The success of a business refers to an ability to survive the uncertainty and volatility of business environments and continue to exist as a viable, productive and sustainable business organisation. • There are many factors that might lead to success e.g. marketing, finance, operations, HRM	12

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Question	Answer	Marks
5(b)	AO2 Application 2 marks for developed application/context L2 APP 1 mark for limited application/context L1 APP • As the lifespan of the average business organisation continues to shrink, even the most resilient and successful businesses who apply sound business management principles to operations, are not immune to gradual erosion of their positions of growth and dominance. • Intrapreneurs are seen to have the skillset to challenge the ‘business as usual’ mindset and so allow a business to respond to the disruptive changes in the external market environment by inducing change in the organisational internal environment. • It is increasingly recognised that ‘business as usual’ operating decisions and procedures are no guarantee of ‘ongoing success for a business’. In order to succeed in local, national or global markets, it is asserted that it is necessary to develop new products and do business better and faster than competitors. These developments, it is argued, require distinctive organisational cultures within which intrapreneurs have a vital role to play. • Computer entertainment businesses use computers to allow us to watch movies online, play games online, act as virtual entertainers in playing games, listening to music, videos can be fed from computers to full screen TVs. • Computers have a major effect on the entertainment industry- using technology/software to create striking special effects in movies, creation of animated features and creation of multi-media presentations.	

Question	Answer	Marks
5(b)	AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN • Ongoing success may well depend on ‘going back to the garage’ – Steve Jobs, – to recapture the innovative and creative spirit of the past – there is severe competition and new starters abound in the computer entertainment market. • The impact of an intrapreneur can lead to the re-invention of a business – any delay in such re-invention can increase the risk of a business failing – intrapreneurs can drive this reinvention, e.g. change a letter-delivery business to a parcel-delivery business – the British Post Office is cited as an example where the ongoing success has been put at risk with too little intrapreneurial impact on strategic decisions. • Intrapreneurs can generate new ideas and identify new business opportunities and detect success-threatening problems. They can critically evaluate existing organisational and market structures, make use of existing sound commercial infrastructures, sales networks, and financial stability to develop new products and make existing ones more competitive. • Intrapreneurs can provide a longevity to business operations and stimulate new growth opportunities if they can inculcate intrapreneurial thinking and behaviour among managers and employees. • Sony Playstation happened as a junior employee tinkered with his daughter’s Nintendo to improve the sound quality – this tinkering convinced Sony of the value of computer gaming systems – Sony now has 2/3rds of market share of the console operating system market. • Agile companies create and support intrapreneurial cultures to ensure that the business does not become too comfortable with past success – the focus is not so much on next quarter’s profit as the next decade’s worth of revenue growth. • Intrapreneurship is encouraged and supported to ensure that there is a focus on the future (technological developments and consumer trends) – a focus on ‘emerging business/product opportunities’. • Intrapreneurship is mainstream as intrapreneurs are supported with capital and allowed to take advantage of the existing customer base, cross-functional expertise, the brand name, the business infrastructure, the stability of a corporate job, and mentorship and guidance. • Intrapreneurs provide the skills for recognising and solving important problems within a business and have the independence and authority to suggest changes for planning the future of a business – they determine methods for staying ahead of the competition and in so doing, contribute to the ongoing survival and success of a business.	

Question	Answer	Marks																		
5(b)	AO4 Evaluation: Up to 6 marks for evaluation: <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr> </table> - Any judgements, conclusions, or evaluative comments can be made at any point in an essay, not just in a concluding session. - A supported judgement may be made that while the role of an intrapreneur is critical to the ongoing success of a business, it is not the only, or the most important, influence on the continuing success/viability of a business. - It might be concluded that intrapreneurship is very important for the ongoing success of a computer entertainment business, whether the business is large – to recapture the spirit that initially put it on the road to success, or small – to maintain the entrepreneurial spirit that gave it birth. - The judgement may be made that intrapreneurship will ensure that working environments remain innovative and creative, rather than become rigid and stifling. - The judgement may be made that the role of intrapreneurship is critical if computer entertainment businesses are to remain agile and customer-driven, and take full advantage of new opportunities in consoles, software and accessories that will ensure their ongoing success. - It might be argued that more important is the quality of management and leadership in a business, especially if the role and importance of intrapreneurship is recognised and given the investment and support by those managers and leaders – effective strategic thinking and management. - It might also be judged that the effective delivery of key business functions is as, or more, important than intrapreneurship, e.g. effective financial management – finance for growth, new equipment, effective HRM, productive and high morale working environments – effective marketing – developing the brand – effective operations – cutting edge technology. Accept all valid responses.	Developed/Supported judgement in context	L3 EVAL	6 marks	Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks	Developed/Supported judgement without context	L2 EVAL	4 marks	Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks	Limited supported judgement	L1 EVAL	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark	
Developed/Supported judgement in context	L3 EVAL	6 marks																		
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Limited supported judgement	L1 EVAL	2 marks																		
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark																		

Question	Answer	Marks
6(a)	Analyse <u>two</u> ways international markets may present different challenges to a business than national markets. There are 8 marks in total for Q6(a) 4 marks for each of the ways international markets may present different challenges to a business than national markets. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 K mark for identifying one way international markets may present different challenges to a business than national markets Repeat this for a second identified way. NOTE: International markets are global markets outside the international borders of a business's country of citizenship – people and businesses from different nations and sharing different cultures may compete in an international market. National market is a domestic market for goods and services operating within the borders of, and governed by, the regulations of a particular country. A business is likely to be more familiar with trading relationships and regulations and there is likely less risk, uncertainty and complexity when operating in a national market.	8

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Question	Answer	Marks
6(a)	Ways may include: • International markets may present language challenges to business entrants • International markets may have business cultures that do not match national market expectations • Operating in an international market may require more expertise, competence and special management skills • Competition is likely to be tough and intense in international markets • International markets may present more high-risk challenges to businesses, such as political volatility, changing fashion, etc • International markets may require acceptance of different tariff and non-tariff constraints and local laws and policies AO2 Application 1 mark for APP of the chosen way. Repeat this for a second identified way. • International markets may present language challenges to business entrants – many languages may be used. • International markets may have business cultures that do not match national market expectations, e.g. in respect of religion, dress codes, working hours, personal space and facility, and gift giving. An ability to recognise, respect and adapt to these differences may reduce your ability to succeed in an international market. • Operating in an international market may require more expertise, competence and special management skills to deal with the more complex circumstances and situations like changes in the strategies of governments and the mindsets of customers. • Competition is likely to be tough and intense in international markets – global competition involves competition not only with competitors from home countries, but also with competitors from foreign lands. • International markets may present more high-risk challenges to businesses, such as political volatility, changing fashion trends, sudden war situations, changing government regulations, and communication barriers. • International markets may require acceptance of different tariff and non-tariff constraints and local laws and policies enforced in different nations – business relationships may involve complexity and lengthy time dimensions.	

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Question	Answer	Marks
6(a)	AO3 Analysis 2 marks for developed analysis of the chosen way L2 AN Repeat for second identified way. 1 mark for limited analysis of the chosen way L1 AN Repeat for second identified way. • International markets may present distinctive challenges to national businesses – they may exhibit very unique and volatile market situations regulations, and conventions requiring creative, responsive and flexible reactions, accommodations and compromises. • The business cultures of international markets may be distinctive and unusual and outside the experience of national competitors, requiring adaptability and acceptance of unusual and often morally questionable business practices. • International markets may be politically volatile requiring fast responses by national business's such as making special payments in order to engage in business activity. • Local laws and policies in international markets may be unconventional and communication channels may be far from transparent-national businesses again may need to balance national standards of business behaviour with international market expectations/requirements. Accept all valid responses.	

Question	Answer	Marks
6(b)	Evaluate whether customer relationship marketing (CRM) is suitable for all small businesses. There are 12 marks for Q6(b) 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge and understanding L2 K 1 mark for limited knowledge and understanding L1 K - CRM is concerned with forming long-term relationships/bonds with customers, rather than just with immediate sales – less transactional or hard selling – more about building emotional connections with customers - Customers are put at the centre of marketing strategies in an effort to create customer loyalty and retention through developing a unique bond with customers – especially through customers' data and feedback - The era of digital marketing has created opportunities for businesses of all sorts to succeed in the journey of relationship marketing	12

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Question	Answer	Marks
6(b)	AO2 Application 2 marks for developed application/context L2 APP 1 mark for limited application/context L1 APP - Marketing no longer restricted to developing, selling, and delivering products and services. CRM sees this definition of marketing as too restrictive – effective marketing needs to be relationship orientated. - Investment into CRM systems is considered to be essential and more effective than transactional marketing for the long-term health of all businesses. - The marketing concept of using a relational software database to gather data on customer transactions for use in marketing and sales programmes has been developed and expanded into company-wide CRM systems – initially sophisticated technology orientated systems developed in/for large businesses to create, manage, and organise data in a way that drives sales and revenue through creating connections and long-term relationships. - More recently, small business CRM systems have been devised to enhance the small business customer experience with a focus on social relationships and personal care programmes that foster customer commitment and builds trust between a business and its customers. - Small businesses are often partnerships, sole proprietorships, or private limited companies - Have relatively small numbers of employees, relatively low annual revenue/turnover, few human resources, and low up-front capital (vary between ‘micro’ businesses with less than 10 employees/turnover less than £2m – ‘small’ businesses with 10–50 employees and £2–10m turnover, to MSE’s with 50–250 employees and £50–250m turnover)	

Question	Answer	Marks
6(b)	AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN The benefits of CRM programmes are said to include the following: - • The possibility of selling more – returning customers tend to purchase more than first-time customers as a consequence of a stronger relationship. • CRM acts as an advertising method for a product – customers satisfied with a product leave good reviews and communicate to others positive experiences. • Loyal customers created by CRM tend to purchase new and upcoming products due to positive experiences in the past – saving advertising costs. • CRM forces a business and brand to focus on long-term goals rather than short-term success. • CRM, in developing a personal relationship with the customer, helps create a viral positive one-to-one marketing. • CRM provides opportunities to solve problems immediately -opportunity to repair product failures – problem-solving via the customer service communications to Twitter accounts or person visits The limitations of CRM are said to include the following: • The primary limitation is said to be cost – it leads to higher costs per individual customer, with no guarantee of a quick return. • CRM software is often designed to meet the needs of large businesses – can be daunting for smaller businesses lacking the staff time and financial resources. • Even simple CRM systems are expensive – investment costs are high – may be inaccessible to a small business. • CRM raises the expectations of customers – time and resource consuming – it takes many transactions to establish a trusting relationship that garners results. • CRM likely to require a significant change in business culture and employee roles – the change from a product centric business to a customer/client end user centric business is a demanding one – there may be resistance to change, e.g. IT moves from a customer supportive role to a customer enabling role. • CRM may treat new customers as a secondary commodity – CRM focus is on retaining and supporting the current customer base – new customers could be overlooked or ignored.	

Question	Answer	Marks																		
6(b)	AO4 Evaluation: Up to 6 marks for evaluation: <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr> </table> - Judgements/conclusions/critical comments may be made at any point in an essay, not just in a concluding section. - A judgement might be made that many small businesses are less likely to adopt a CRM approach due to the potential high investment costs, the time risks involved, the complexity of CRM programmes and the limited resource availability. - A judgement may be made that potential benefits of a CRM programme/initiative outweigh the costs/risks/potential disadvantages. - A judgement may be made that it all depends on the 'size' and resources of a 'small' business and the stage of development of the business so not all small businesses may rule out investment into CRM. - Indeed a judgement may be made that a small business is ideally placed to really benefit from a CRM approach – a small business may be more accessible to the customer than a large one – the values, mission, vision clearer in a small business – close to the customer. - A judgement may be made that CRM is a natural development of effective marketing and is relevant and essential for all businesses, including small businesses, and that inexpensive small business CRM systems are increasingly available (affordable cloud-based packages). - A judgement might be made that the features and benefits of CRM are critical for all businesses – and that even non-commercial organisations, such as universities, are adopting CRM programmes in order to improve relationships with the students who increasingly assume the role of customers and expect to be heard, respected and satisfied. - A judgement might be made that CRM is just one of the latest management fads and that effective businesses have always pursued customer relationships and enjoyed the trust and loyalty of customers/clients/end users without the adoption of expensive and trendy CRM systems. Accept all valid responses.	Developed/Supported judgement in context	L3 EVAL	6 marks	Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks	Developed/Supported judgement without context	L2 EVAL	4 marks	Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks	Limited supported judgement	L1 EVAL	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark	
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Mark Grids for Section B**Used for Q5(a) and Q6(a)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.
1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

PUBLISHED**Mark Grids for Section B****Used for Q5(b) and Q6(b)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.
2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.
1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Cambridge International AS & A Level

BUSINESS**9609/12**

Paper 1 Business Concepts 1

May/June 2025**MARK SCHEME**Maximum Mark: 40

Published

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

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

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

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **31** printed pages.

PUBLISHED**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 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.

PUBLISHED**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
	Indicates a point which is relevant and rewardable.
	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Indicates knowledge and understanding of the concepts and issues relating to the question.
	Indicates where application is made to an appropriate business context.
	Indicates where the answer has demonstrated analysis – questions 4, 5(a), 5(b), 6(a) and 6(b) .
	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
	Used when the benefit of the doubt is given in order to reward a response.
	Used when the answer or parts of the answer are not answering the question asked.
	Used when parts of the answer are considered to be too vague
	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	Used to view PE comments on practice scripts only – displayed at the bottom of the screen when clicking the comments button/toggle.

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Question	Answer	Marks
1(a)	Define the term <i>mission statement</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding (2 marks) • A business statement/sentence/document (1) that sets out the purpose/goals/aims/values of a business (1), an example is often given – ‘To be carbon neutral by 2030’ (1) Partial understanding (1 mark) • What a business stands for (1) • The goals/values of a business (1) Accept all valid responses.	2

Question	Answer	Marks
1(b)	Explain <u>one</u> disadvantage to a business of having corporate social responsibility (CSR) as a business objective. There are 3 marks for this question – 1 mark for knowledge and understanding and 2 marks for application/explanation Indicative content Responses may include: AO1 Knowledge and understanding – 1 mark for identifying one disadvantage of CSR as a business objective • May add to business costs • May reduce profits • May result in stakeholder conflict • Business operations more transparent • Business may be deflected from bottom line objective • Competitors may take advantage AO2 Application 2 marks for a developed APP of one disadvantage of CSR as a business objective 1 mark for a limited APP of one disadvantage of CSR as a business objective • CSR objectives may well involve additional costs for a business – profit not the sole objective. • CSR objectives may well mean stakeholder conflicts – shareholders concern for maximum dividends versus management commitment to ethical suppliers. • CSR businesses are in the public eye and likely to be scrutinised for all that they do – subject to criticism over the smallest acts or operations. • CSR implies more accountability and responsibility and requires sustainable actions – rather than ‘window dressing’ PR campaigns. • Sustainable resources may be more expensive • CSR companies may lose sight of their fundamental commercial/economic role as business organisation Accept all valid responses.	3

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Question	Answer	Marks
2(a)	Define the term <i>involuntary redundancy</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding (2 marks) • An employer terminates the job of an employee (1), employees are selected for redundancy (1) and the employee has no choice in this decision (1) Partial understanding (1 mark) • An employee loses their job (1) • The job role is no longer needed (1) Accept all valid responses.	2

Question	Answer	Marks
2(b)	Explain <u>one</u> way a business could use employee development to encourage multi-skilling. There are 3 marks for this question: 1 mark for K 2 marks for APP Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one way of using employee development to encourage multi-skilling • Training programmes • Offer job rotation • Offer job enlargement • Offer job enrichment • Motivate/pay employees to learn new skills • Provide rewards for employees that take up multi-skilling opportunities • Promote a learning culture in the business AO2 Application 2 marks for developed APP of the chosen way given 1 mark for limited APP of the way given • Specific training programmes that focus on giving employees the opportunity to cross the traditional trade-specific or craft-specific skill sets. • Develop a culture in a business that encourages and rewards employees who seize opportunities to extend their skills – a clear business objective to unlock employee potential.	3

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Question	Answer	Marks
2(b)	• A consistent business focus on the need to update core skills to take advantage of a dynamic economic environment so that employees have a forward focus and expectation of change (threats and opportunities). • A business sees multi-skilling and upskilling as a critical workforce investment – HRM access and make available e-learning courses, virtual workshops – identify skill gaps and facilitate tailored learning pathways. • Develop a learning environment and link a focus on in-demand skills with career development opportunities to provide an incentive to develop skills employees want and the skills a business needs. Accept all valid responses.	

Question	Answer	Marks
3(a)	Define the term <i>inventory re-order level</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding (2 marks) • The level/quantity of inventory that triggers a new order to suppliers (2) Partial understanding (1 mark) • The time to re-order inventory (1) • A decision to replenish stock (1) Accept all valid responses.	2

Question	Answer	Marks
3(b)	Explain <u>one</u> advantage to a business of holding buffer inventory. There are 3 marks for this question: 1 mark for K 2 marks for APP Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one advantage of holding buffer inventory A term used in logistics that describes a level of extra stock that is maintained to mitigate risk or stockouts caused by uncertainties in supply and demand. • Avoid stockouts • Allow continuous production • Meet customer demands, including unexpected demands • Meet bulk orders • Avoid lost sales • Protect against fluctuations in demand/market • Helps if there is damage to parts of inventory AO2 Application 2 marks for developed APP of the advantage given 1 mark for limited APP of the advantage given • Adequate buffer stocks allow businesses operations to proceed according to plan.	3

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Question	Answer	Marks
3(b)	• Protects against unforeseen variation in supply – supply chains are longer, more globalised with forces causing more frequent disruptions. • Compensates for forecast inaccuracies – a consistent demand changes suddenly – customer service is maintained through use of the buffer stock. • Avoids stockouts and keeps customer service and satisfaction levels high – keeps warehouse and supply chain running smoothly. • Allows a business to take advantage of bulk buying discounts and so reduce the cost of inventory. Accept all valid responses.	

Question	Answer	Marks
4	Analyse <u>one</u> reason why a business may use cost-based pricing. There are 5 marks for this question: 1 mark for K 2 marks for APP 2 marks for AN Note: no marks can be awarded if a relevant reason is not given Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one reason why a business may use cost-based pricing. A pricing method adopted by a business by which the selling price of a product is determined by adding a specific fixed percentage to the product's unit cost. • Especially useful to a new business – costs need to be covered with a small profit if possible • It is a simple method – simple to calculate and simple to implement • It ensures that all production costs are covered • It may ensure profitability • It may prevent loss • Transparent – easy for customers to understand • Easy to justify – make price adjustments to match cost increases, keeping prices low	5

Question	Answer	Marks
4	AO2 Application 2 marks for developed APP of the chosen reason 1 mark for limited APP of the chosen reason - A business may have a choice of pricing methods at any particular time – given market conditions and the position of the business (in terms of scale of development, operational/survival objectives), a decision is made to choose cost-based pricing as the most appropriate pricing method Low-cost food retailers use this strategy to maintain their competitive position – they are obsessed with controlling their costs and add a small margin. AO3 Analysis 2 marks for developed AN of the chosen reason 1 mark for limited AN of the chosen reason The decision to adopt cost-based pricing may be taken for the following reasons: - A business can price products consistently without a lot of market research – a simple approach to pricing where the full costs of a product are calculated and a margin is added for a specific desired profit level – avoids need to spend time on nuanced pricing strategies – appealing for a small business. - It is a reliable pricing method – it ensures a business is covering all costs and generating the desired returns (assuming accurate cost calculations) – it assists estimates of revenue within a specific timeframe. - It is a pricing method that is easy to understand – it involves very few components – explanation of price increases to customers does not require a complicated explanation. - It requires little information relating to customer expectations, competitor pricing, or market demand – if a business has no competitors and no similar products in the market, cost-based pricing ensures a business prices according to company objectives and reflects the costs incurred to produce an item – the only data needed for cost-plus pricing are company costs and desired profit margins. Accept all valid responses	

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Question	Answer	Marks
5(a)	Analyse <u>two</u> disadvantages to employees of an autocratic management style. There are 8 marks in total for Q5(a) 4 marks for each of the two disadvantages of an autocratic management style to employees These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN NOTE: This question asks for disadvantages to employees not the business. However, managers are employees and any disadvantages e.g. stress related to managers must be accepted as relevant answers. This is particularly significant when rewarding analysis. Indicative content Responses may include:	

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Question	Answer	Marks
5(a)	AO1 Knowledge and understanding 1 mark for K identifying one disadvantage • Leads to low employee morale • Prevents creativity and innovation in employees • Can lead to resentment and resistance among employees • Over dependent on managers/leaders • Employees feel undervalued • Employees disengaged • Lack of opportunity for employees • Likely repetitive tasks, low skills, low wages for employees • Lack of trust of employees • Employees/managers under pressure to produce more – stress AO2 Application 1 mark for APP of the chosen disadvantage • A choice of management style considered by many as outdated and inappropriate for modern organisations – with regard to the expectations and aspirations of employees. • Can lead to Theory X culture – lack of trust – micromanagement and the effect on employees • Can lead to low productivity and disenchantment of employees • Employee environment is one of conflict between management and employees, causing stress on employees	

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Question	Answer	Marks
5(a)	AO3 Analysis 2 marks for developed AN of the chosen disadvantage 1 mark for limited AN of the chosen disadvantage • Strict supervision associated with autocratic management can be de-motivating – micromanagement stifles creativity and creates a lack of trust between employees and managers. • Can create a high-pressure working environment where productivity levels might well decline – employees treated simply as production units – leading to stressed, pressured and overwhelmed employees. • There is unlikely to be a culture of feedback – an autocratic manager seeks to speed up the decision-making process – results in less creativity and innovation among frustrated employees – this lack of creativity and innovation can result in slower business growth. • Employee morale can be low as a result of autocratic management – employees feel undervalued, participation is not required and recognition rarely given – autocratic managers may well take the credit for work performed collectively. • Managers are employees and may well suffer if required to act in an autocratic management style or working environment – they take the brunt of pressure causing them stress, pressure and burn out. Accept all valid responses.	8

Question	Answer	Marks
5(b)	‘The contribution of managers to business performance in a hospital is less important than that of medical employees.’ Evaluate this view. There are 12 marks for Q5(b) 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL NOTE: Some candidates may well refer to their experience of hospitals being private hospitals run for profit and will assess the role of managers and medical employees in that context. This is a relevant and acceptable response and should be marked accordingly Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge and understanding L2 K 1 mark for limited knowledge and understanding L1 K Traditionally, managers viewed as responsible for planning, organising, directing, and controlling in organisations (Fayol). More modern theorists (Mintzberg) see managers with more informal roles associated with ‘softer’ responsibilities relating to employees within business organisations.	12

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Question	Answer	Marks
5(b)	- Business performance generally perceived in terms of the ability to make best use of resources to achieve objectives. This broad definition in business practice developed to describe business achievements measure by a number of metrics known as Key Performance Indicators (KPIs), such as profitability, productivity, and service user satisfaction. - Medical employees are people who work within the hospital. AO2 Application 2 marks for developed application/context L2 APP 1 mark for limited application/context L1 APP - Hospitals (private and publicly owned) increasingly seen as having fundamental business/organisational imperatives such as effective resource allocation and utilisation – hence the increasing role and function of managers in these organisations. - The influence of new technology, new health solutions, new drugs and new drug approaches, increased accessibility of hospitals, and ageing populations, has placed a focus and emphasis on the need for health-serving organisations to perform efficiently and effectively. - Doctors and nurses in a health service or hospital are considered to be those who are responsible for the diagnosis, care and treatment of illnesses, diseases, infections and well-being of patients. NOTE: The context here is a Hospital and explicit reference to hospital activity is required if APP marks are awarded for example reference to such activities as operations, treatment, surgery or reference to the hospital service or medical employees is insufficient. - Using the results of this ‘learning environment’ to recommend ‘state of the art’ medical instruments, new technologies – to ensure appropriate levels of investment in medical equipment.	

Question	Answer	Marks
5(b)	AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN Contribution of managers to the business performance of a hospital might include: • The development and communication of clear organisation/healthcare goals, objectives and strategies – throughout the organisation and to external stakeholders. • The development of efficient organisation/team structures and associated responsibility assignments and delegated authority – operational clarity a priority supporting effective productivity and outcomes. • The recruitment, training and support given to produce a ‘fit for purpose’ set of employees – resulting in a productive culture and a morale-boosting working environment. • Appropriate investment in medical machines and instruments that will equip a highly skilled pool of employees to deliver an agreed quality of health care. Contribution of medical employees to the business performance of a hospital might include: • The development of appropriate healthcare goals, objectives and strategies appropriate to local health concerns, and within resource availabilities – allowing relevant activity focus within professional groupings. • The adoption of relevant professional structures, teams, and specialised approaches (including cross-professional project groups) to ensure that medical experience and expertise is appropriately organised to stimulate creativity and innovation-supported health care services. • To ensure a ‘learning environment’ is developed within the organisation so that medical practitioners are at the cutting edge (no pun intended!) of medical practice – encouragement of research, training and development, attendance at conferences, writing of papers etc. • Using the results of this ‘learning environment’ to recommend ‘state of the art’ medical instruments, new technologies – to ensure appropriate levels of investment in medical equipment	

Question	Answer	Marks																		
5(b)	AO4 Evaluation: Up to 6 marks for EVALUATION: <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr> </table> - Any judgements/conclusions/evaluative comments can be made at any point in an essay, not just in a concluding section. - A supported judgement is made that either managers or medical employees are the more/less significant contributors to business performance of a hospital. - Although there are professional divisions between health practitioners, there has been an increasing tendency to see health care as an holistic organisational objective with a review of roles that has led to a reduction in professional barriers and boundaries. - A judgement might be made that the contribution of managers/medical employees is very much dependent on the level of competence/expertise/experience of each category at any one point of time. - Might the contribution of each category depend on the stage of development of a hospital? A newly built hospital in the early stages of operation might very well depend upon efficient managers rather than medical employees in order to get the hospital set up effectively. - A judgement might be made that the business performance of a hospital requires managers and medical employees to work together and it is simplistic to see either group as more important/significant. - A judgement could be made that managers may get in the way of medical employees (bureaucracy) and negatively affect business performance – or alternatively, that medical employees are so protective of their supposed superior roles and expertise that they ignore the advice of managers and operate in such a way as to waste scarce resources and so reduce business performance. Accept all valid responses.	Developed/Supported judgement in context	L3 EVAL	6 marks	Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks	Developed/Supported judgement without context	L2 EVAL	4 marks	Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks	Limited supported judgement	L1 EVAL	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark	
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Question	Answer	Marks
6(a)	Analyse <u>two</u> advantages to a business of using sale and leaseback of non-current assets as a source of finance. There are 8 marks in total for Q6(a) 4 marks for each of the two advantages of using sale and leaseback of non-current assets as a source of finance. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 K mark for identifying one advantage • May unlock more funds than conventional sources of finance • Provides a quick cash injection • Avoids borrowing costs • Helps to avoid/reduce debt • Get cash but still retain full use of asset • No maintenance costs • Good option for a business in difficulty • May support expansion/growth When lease ends payments end and there is an opportunity to immediately acquire latest advanced equipment – no assets to dispose of.	8

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Question	Answer	Marks
6(a)	AO2 Application 1 mark for APP of the chosen advantage • Sale and leaseback allows a business to free up capital that has been invested in an asset and to use the monies raised in more profitable and immediate uses – an alternative form of finance • Capital raised can be used in more profitable and immediate ways • Provides an alternative form of finance • Gives more flexibility for financial needs • For example if a bakery decides to sell and lease back its oven the leasing company will take over the repair and maintenance costs AO3 Analysis 2 marks for developed analysis of the chosen advantage L2 AN 1 mark for limited analysis of the chosen advantage L1 AN • It converts non-current assets into capital without the need to lose control of the asset – and so provide capital to purchase additional assets – in the case of a manufacturer the sale and leaseback of a building could supply finance to purchase the latest cutting-edge machines. • It avoids costs traditionally associated with conventional debt financing – for real estate transactions costs such as valuation and bank fees are avoided – sale-leaseback arrangements may well offer more flexible lease terms than a traditional lease, mortgage, or bank loan agreement. The lessee and lessor can set their own lease lengths and lower interest payments. • A business may have the opportunity to list the leased asset as an operating expense rather than a liability on the balance sheet – having fewer liabilities gives a business more eligibility to increase borrowings. • It can reduce risk to a business – owning freehold property, for example, comes with its own risks, such as property price fluctuations – new/struggling businesses may want to avoid such price fluctuation. • It increases liquidity – the injection of cash can be used to fund new ventures and/or pay off outstanding debts and so improve the debt-to-equity ratio of the business. Accept all valid responses.	

Question	Answer	Marks
6(b)	‘The use of budgets is the most effective way to monitor the performance of a hotel’. Evaluate this view. There are 12 marks for Q6(b) 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge and understanding L2 K 1 mark for limited knowledge and understanding L1 K - Budget is a quantitative expression of a plan of action over a specific period of time – it predicts revenues and expenditures – may include cash flows, revenues, liabilities, planned scale volume and other costs. - Budgets need to provide controls and restraints – an analytical tool to reveal actual financial performance – return on assets with planned performance. - Budgets are tools of financial management and control – set out specific expectations of results and so provide a standard to be used for performance evaluation. - Business performance generally refers to making best use of resources to achieve corporate objectives, which may be economic or social, measured by a number of metrics – Key Performance Indicators (KPIs) such as profitability, productivity, market share, customer satisfaction.	12

Question	Answer	Marks
6(b)	AO2 Application 2 marks for developed application/context L2 APP 1 mark for limited application/context L1 APP - Hospitality sector businesses, such as hotels, focus on providing accommodation, food, and conference planning – profit maximisation is the fundamental goal, which requires resource allocation and management to be properly planned and controlled. - Hotels, as with other commercial businesses, seek a return on assets and have specific performance targets, such as revenue per available room, average occupancy rate, profit/loss on food offers. Financial performance measures are used to reveal the extent to which ‘bottom line’ targets are met but they also act as essential support methods to ensure that qualitative objectives, such as sustained customer satisfaction, are achieved. AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN Budgets provide ways to monitor and control business performance in the following way: - Budgets provide a set of financial targets related to specific objectives agreed in order to achieve corporate business goals – provide a framework and a discipline to those working in the business and a standard of assessment relating to those targets. - Budgets provide the discipline to ensure resources are allocated as agreed and provide indicates when analysed of variation/deviations – evidence of which provides effective evidence of the extent to which business performance is acceptable or needs amendment or adjustment. - Budgets provide a structured plan which can lead to better decision-making and goal achievement – provides financial stability and guidelines essential for assessing business performance – budgets provide a set of strategic plans of action which check and control decisions. - Budgets provide a basis for the evaluation of goals and policies – which can lead to further decisions on spending – budgetary tracking of progress is a measure of monitoring and controlling of performance. - Budgets are systematic and organised – providing appropriate management information the continuing performance of business sectors – a systematic and organised set of financial measures to assess the effectiveness of the plans and actions of the business.	

Question	Answer	Marks																		
6(b)	- Budgets provide a business the ability share its operational process and budgetary process with important shareholders such as a governing body – board of directors – provide status updates on performance to investors. AO4 Evaluation: Up to 6 marks for evaluation: <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr> </table> - Judgements/conclusions/critical comments may be made at any point in an essay, not just in a concluding section. - Judgement may be made that while budgets have the potential to provide an effective way to monitor and control the performance of a business it does depend on the rigour and robustness of the budgets used – data may be defective; assumptions and targets may be unrealistic. - It might be concluded that budgets are only one of a range of financial performance measures, such as value chain analysis, benchmarking and cost optimisation and should be seen as part of a package of accounting techniques and their importance assessed as such. - A judgement might be made that in order to capture the full picture of hotel performance the reliance on quantitative financial measures such as budgets could be misleading – traditional performance measures such as budgets taken in isolation may provide misleading signals. - It might be concluded that organisations today need more holistic performance measures to give a more representative impression of an hotel's performance – e.g., is the hotel providing service excellence – does it embrace innovation – does it take health and safety seriously (Covid 19 challenges).	Developed/Supported judgement in context	L3 EVAL	6 marks	Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks	Developed/Supported judgement without context	L2 EVAL	4 marks	Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks	Limited supported judgement	L1 EVAL	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark	
Developed/Supported judgement in context	L3 EVAL	6 marks																		
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks																		
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Limited supported judgement	L1 EVAL	2 marks																		
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark																		

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Question	Answer	Marks
6(b)	• It might be concluded that the use of budgets and resulting financial metrics, while important, does not necessarily provide the most effective way to monitor and control hotel performance – a more balanced scorecard approach is more appropriate for organisation and hotels today. Accept all valid responses.	

PUBLISHED**Mark Grids for Section B****Used for Q5(a) and Q6(a)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.
1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Mark Grids for Section B**Used for Q5(b) and Q6(b)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				5–6 marks Developed evaluation in context • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Cambridge International AS & A Level

BUSINESS**9609/13**

Paper 1 Business Concepts 1

May/June 2025**MARK SCHEME**Maximum Mark: 40

Published

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

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

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

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **32** printed pages.

PUBLISHED**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 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.

PUBLISHED**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).

PUBLISHED**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
	Indicates a point which is relevant and rewardable.
	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Indicates knowledge and understanding of the concepts and issues relating to the question.
	Indicates where application is made to an appropriate business context.
	Indicates where the answer has demonstrated analysis – questions 4, 5(a), 5(b), 6(a) and 6(b) .
	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
	Used when the benefit of the doubt is given in order to reward a response.
	Used when the answer or parts of the answer are not answering the question asked.
	Used when parts of the answer are considered to be too vague
	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	Used to view PE comments on practice scripts only – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

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.

Mark Grids for Section A**Used for Q1(a), Q2(a) and Q3(a)**

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	2	Indicated by 2 ✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	1	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	0	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of one relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of one relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	1 mark Limited application of one relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	0 marks No creditable response.

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Question	Answer	Marks
1(a)	Define the term <i>motivation</i>. Indicative content AO1 Knowledge and understanding Clear understanding A clear definition that merits 2 marks should include reference to two out of the following three 1-mark responses (an acceptable definition will NOT use the word ‘<i>motivate</i>’) • The factors-such as stimulate, encourage, interest, leading to the desire of employees (1) providing a willingness to work, to work harder, to perform well, to achieve something, a goal/task or objective, become more efficient, more satisfied (1) with incentives such as money, promotion, job enrichment/rotation (1) Partial understanding • Why employees work hard (1) Accept all valid responses.	2

Question	Answer	Marks
1(b)	Explain <u>one</u> benefit for a business of motivated employees. There are 3 marks for this question: 1 mark for K 2 marks for APP Indicative content Responses may include: AO1 Knowledge and understanding 1 mark K for identifying one BENEFIT for a business of motivated employees • Lower absenteeism • Better workplace culture • Employees work harder • Lower labour turnover • Employees more productive • Business objectives more likely to be achieved • Better customer service • Greater creativity/innovation (motivated employees more likely to challenge, explore more creative options and collaborate with colleagues) • Improved work relationships- more likely to accept change and less likely to take industrial action • Positive business reputation- motivated employees more likely to speak highly of the business • Higher sales- more profit	3

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Question	Answer	Marks
1(b)	AO2 Application 2 marks for developed APP of the benefit given 1 mark for limited APP of the benefit given • Disruption caused by absent employees is reduced • Positive work environment • Recruitment and training costs for the business are reduced • Better quality products or services due to more care being taken – a good standard of work – happier customers • Employees will match their personal objectives with those of the business. • Improved customer satisfaction leading to increase in repeat customers – less complaints – better reviews Accept all valid responses.	

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Question	Answer	Marks
2(a)	Define the term <i>incremental budgets</i>. Indicative content AO1 Knowledge and understanding Clear understanding - Incremental budgeting is a budgeting process that involves developing a budget by making adjustments/changes to an existing or previous budget (2) Partial understanding - Setting this year's budget based on last year's budget (1) Accept all valid responses.	2

Question	Answer	Marks
2(b)	Explain <u>one</u> advantage to a business of using variance analysis There are 3 marks for this question: 1 mark for K 2 marks for APP Indicative content Responses may include: AO1 Knowledge and understanding 1 mark K for identifying one advantage of using variance analysis • Gives a business more control • Clarifies accountability in a business • Improves accuracy of budgets • Improves financial decision making • Identifies areas for improvement. • Allows business to compare their estimated costs with their actual costs • Allows planning • Shows how to allocate resources • More effective strategy	3

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Question	Answer	Marks
2(b)	AO2 Application 2 marks for developed APP of the advantage given 1 mark for limited APP of the advantage given • Highlights areas of business needing attention • Helps in assessing management performance • Identifies potential problems early • Helps to monitor financial performance • Helps a business to budget more accurately in the future • Helps managers to respond to adverse or favourable variances • Identifies areas of over/under spending and spending not authorised • May lead to improved business efficiency • Helps to monitor success and failure • Helps to identify areas of underperformance • Helps strategic decisions/better planning • Provides fast financial information Accept all valid responses.	

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Question	Answer	Marks
3(a)	Define the term Just in Time (JIT). Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding NOTE: A clear definition that merits two marks should include reference to two out of the following three 1 mark responses: • The management of inventory (1) that ensures that new inventory arrives just when needed (1) removes the need for inventory to be held in storage until it is needed (1) Partial understanding • Where inventory is kept low (1) Accept all valid responses.	2

Question	Answer	Marks
3(b)	Explain <u>one</u> disadvantage to a business of using Just in Time (JIT). There are 3 marks for this question: 1 mark for K 2 marks for APP Indicative content Responses may include: AO1 Knowledge and understanding 1 mark K for identifying one disadvantage of using JIT • Production process can be delayed when supplies do not arrive or are late • Frequent small deliveries needed • More planning ahead with suppliers required • Small orders need to be processed • Suppliers need to be reliable • Could be expensive • No discounts for bulk orders- no economies of scale • Unable to respond to unexpected customer demand • Can lead to stockouts	3

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Question	Answer	Marks
3(b)	AO2 Application 2 marks for developed APP of the disadvantage given 1 mark for limited APP of the disadvantage given • Any failure to receive supplies or components on time – could lead to production delays. • Frequent small deliveries – could lead to an increase in delivery costs. • Small orders need to be processed – administration costs may rise. • Each order is likely to be small – lose out on bulk discounts. • Suppliers need to be reliable – if not could affect reputation • Could be expensive to implement for small firms – increase costs • May require investment in new technology • Could lose sales/ revenue/profit Accept all valid responses.	

Question	Answer	Marks
4	Analyse <u>one</u> advantage to a business of using mass marketing. There are 5 marks for this question: 1 mark for K 2 marks for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for K identifying one advantage to a business of using mass marketing • Business may secure economies of scale • Mass marketing may ensure cost effectiveness in business operations • Opportunity to secure significant sales • Opportunity to build and develop a brand • Opportunity to build and develop the business	5

Question	Answer	Marks
4	AO2 Application 2 marks for developed APP of the chosen advantage. 1 mark for limited APP of the chosen advantage. • Economies of scale – unlike niche marketing • Cost effective – when used to advertise products • Mass marketing campaigns can reach a large audience – via several channels. • Appeals to the total population – lead to more sales. • Can increase brand awareness – via several channels • Can save time with marketing campaigns – as don't have to create new campaign for each different segment AO3 Analysis 2 marks for developed AN of the chosen advantage 1 mark for limited AN of the chosen advantage • Economies of scale can enable substantially lower average costs of production – increase profit margin. • The ability to target the whole market could lead to huge sales – and profits. • Brand awareness could become global – could lead to becoming market leader. • Time saved on marketing campaigns could be used in other ways to increase business efficiency. • Less prone to changing tastes – so a change in consumer buying habits may not impact sales. Accept all valid responses.	

Question	Answer	Marks
5(a)	Analyse <u>two</u> benefits to a business of using break-even analysis. There are 8 marks in total for Q5(a) 4 marks for each of the two benefits given. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for K identifying one benefit of using break-even analysis. • Provides crucial insights for business decisions • Provides information for a range of important business decisions • Shows whether a product is worth selling or too risky- such as new products, pricing, costs and production levels • Shows the amount of revenue a business will make at different levels of output • Assists in evaluating investment plans/decisions • Helps to analyse costs • Calculations are quick/easy • Helps set pricing strategy • Supports setting targets	8

Question	Answer	Marks
5(a)	AO2 Application 1 mark for APP of a one benefit. • The use of break-even analysis in a business -indicates production volume required to cover costs/make profits • Allows informed decisions to be made on: Pricing • Cost management • Production levels • Overall business strategy • Relatively easy to calculate and understand – great for quick estimates. • Used to assist managers in decision making – location, equipment, projects. • The break-even analysis can be used in business plans to support loan applications • Really useful when launching new products or entering new markets AO3 Analysis 2 marks for developed AN of one benefit 1 mark for limited AN of one benefit • Break-even analysis can give a business an idea of whether the product is likely to be successful by analysing the costs involved and likely revenues. • The level of output for a desired level of profit can be determined • A break-even chart indicates the margin of safety. If the margin of safety is too low the business might reconsider its product(s) • Break even analysis can be used to assist managers when making important decisions such as location decisions, whether to buy new equipment, or invest in a project – so reduces the risk to the business. • A business might see that if a certain level of profit is to be achieved, costs might have to be reduced to make it possible • A change in price might also be indicated. If the desired profit is not achieved, then the price of the product might have to be increased. Accept all valid responses. The AN marks are recorded in the 5(a) AO3 box	

Question	Answer	Marks
5(b)	Evaluate whether cash flow forecasting is the most important activity for the success of a fashion clothing manufacturer There are 12 marks for Q5(b) 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge and understanding L2 K 1 mark for limited knowledge and understanding L1 K • Cash flow forecasting-the process of obtaining an estimate/forecast of a business's future cash position – anticipated payments and receivables in a given period of time • Clothing manufacturers convert raw materials into finished garments • Success may be measured in terms of quality of clothing, customer satisfaction, level of clothes purchased, reputation established, health of financial position, level of profit, amount of time in business.	12

Question	Answer	Marks
5(b)	AO2 Application/Context 2 marks for developed application/context L2 APP 1 mark for limited application/context L1 APP • Success of a fashion clothing manufacturer very much concerned with following/creating the latest trends, fashions/fads in clothing, keeping pace with the latest fashion house changes in a range of different clothing items. • Fashion clothing manufacturers produce a variety of clothes such as trousers, skirts, dresses, jumpers, T-shirts. casual wear, evening wear, summer ware etc • Use different materials-cotton, wool, leather • Creativity/innovation in clothing design work AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN • A CFF can provide an early warning system for a business – future shortfalls in cash balances – allows a business to take informed business decisions, such as overdraft provision or short-term loan • If a business runs out of cash, it may face insolvency. A CFF can indicate the correct time to take action. • CFF enables a business to track expected cash movements over a period of time in the future – provides a degree of certainty in possible turbulent times – allows well planned decisions to be made • CFF is a strategic tool for a new business – gives information for development of plans for survival and growth • A cash flow forecast may be useful for external stakeholders – such as banks, may want to look at CFF at regular intervals in order to support a business plan.	

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Question	Answer	Marks																		
5(b)	AO4 Evaluation AO4 Evaluation: Up to 6 marks for evaluation: <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr> </table> <i>A judgement/conclusion is made as to the importance of cash flow forecasting for the success of a new restaurant. Such judgements/conclusions may be made at any point in the essay, not only in a concluding section.</i> • A judgement is made as to whether activities other than CFF could/should be considered as important or more important in affecting a new clothing manufacturer's ability to succeed. • A judgement is made as to what is meant by success and when to take the measure • Alternative measures of success are judged to be – perception of the quality of the clothes – brand image – desirability of clothes – strength/weakness of the economy – ability to react to changes in trends – retailer/supplier relationships • A judgement is made regarding the significance of cash control and CFF for a new clothing manufacturer in relation to other factors. • Is CFF as important as market research or monitoring trends and fashions in clothing? Accept all valid responses. NOTE: The marks for 5(b) are recorded in the mark input column on the right-hand side of the screen. K marks are entered in the 5b AO1 box APP marks are entered in the 5b AO2 box AN marks are entered in the 5b AO3 box EVAL marks are entered in the 5b AO4 box	Developed/Supported judgement in context	L3 EVAL	6 marks	Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks	Developed/Supported judgement without context	L2 EVAL	4 marks	Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks	Limited supported judgement	L1 EVAL	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark	
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Question	Answer	Marks
6(a)	Analyse <u>two</u> advantages to a business of making ethical decisions. There are 8 marks in total for Q6(a) 4 marks for each advantage given. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for K identifying one advantage • Enhanced business reputation • Increased employee morale • Improved customer trust/loyalty • Mitigate legal risks/pressure group criticism • Positive social impact • May give competitive advantage • Ensures long term sustainability • Ensures business success • Attracts more investors • Government support • Higher sales • Attracts employees • Reduce costs • Reduce conflict between employees	8

Question	Answer	Marks
6(a)	AO2 Application 1 mark for APP of the chosen way. Repeat this for the chosen advantage • Paying fair/living wages – not employ child labour • Committing to sustainability – reduce carbon footprint, recycle, energy efficiency • Using Fairtrade suppliers – pay fair price for goods • Reducing workforce without layoffs – through consultation with unions • Reduce pollution – use more eco-friendly machines • Limit advertising to children/parents – ‘pester power’ • Not take bribes – written into code of conduct • Investors feel that their money is being used in a responsible way AO3 Analysis 2 marks for developed analysis of the chosen analysis L2 AN 1 mark for limited analysis of the chosen analysis L1 AN • Can lead to good publicity and brand image/usp – customers may become loyal • Attract ethical customers – a potentially increasing customer base in today’s market • Ethical businesses are more likely to be awarded government contracts – increase revenue • Well qualified staff may be attracted to work for businesses who are the most ethical – competitive advantage. • Fosters a culture of fairness and respect within the business – help reduce labour turnover and increase efficiency. • Improves the public image of the business – people want to work there, customers want to purchase goods, investment • Improves the bottom line of the business – loyal customers – increased profits • Appeals to shareholders as there is a growing number of ethical investors – greater investment Accept all valid responses.	

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Question	Answer	Marks
6(b)	‘Employees are the most important stakeholder group in a primary sector oil and gas business.’ Evaluate this view. There are 12 marks for Q6(b) 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge and understanding L2 K 1 mark for limited knowledge and understanding L1 K - Stakeholders are persons who have an interest in/are affected by a business, such as owners, shareholders, customers, suppliers, employees, local communities, government, special interest groups - Primary sector oil and gas businesses exist in the energy sector and often span many countries with huge revenues and profits. - They engage in the exploration and extraction of oil and gas.	12

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Question	Answer	Marks
6(b)	AO2 Application 2 marks for developed application/context L2 APP 1 mark for limited application/context L1 APP • Employees are important as they provide skilled labour and without them the business would not be able to operate and make profits. • Employees ensure new sites are found, oil and gas is extracted efficiently and safely. • Primary sector oil and gas industries can be dangerous and risky- health and safety policies needed to protect employees • Oil and gas sector produce energy services to power vehicles, heat homes and manufacture steel • Sold to petrol/gas stations AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN • If the workforce is unhappy about a change in work practices though it might reduce costs in the short run, it may be detrimental if a demotivated workforce affects the quality of production. • If there is strong trade union membership then strike action may occur if demands are not met – this would affect image, stop production, delay deliveries. • Good relationships with employees would improve morale and motivate – lead to improved productivity and lower staff turnover • Skilled employees ensure that the business is able to locate and extract the raw materials (oil) thus ensuring sales revenue and profits.	

Question	Answer	Marks																		
6(b)	AO4 Evaluation: Up to 6 marks for evaluation: <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr> </table> <i>A judgement/conclusion is made as to the view that the main reason for new business failure is the pursuit of growth too quickly. Such judgements/conclusions may be made at any point in the essay, not just in a concluding section.</i> • A judgement is made that there are a number of factors that impact on the importance of employees as stakeholders such as how strong trade unions are, how skilled they are and how easy it is to find new employees. • If employees are easy to recruit i.e. unemployment is high, then employee's importance might not be too significant. • Business might place more importance on keeping shareholders happy with dividends. • A judgement is made that most businesses need to balance the needs of all stakeholders for a successful business especially a business as large and complex as those in the oil and gas primary sector. • A judgement is made that in the modern era local communities are more willing to protest if their local community will potentially be polluted and the resulting negative impact in the news. This however may depend on which country the business is operating in. • A judgement is made that pressure groups are becoming more visible and any business would be foolish not to take them seriously as the impact on brand image and the ability to operate can be significant especially in light of global warming. • A judgement is made to that very often compromises need to be made in business with negotiations occurring with all stakeholder groups. • How important are other stakeholders such as shareholders, local communities, suppliers, governments? Accept all valid responses.	Developed/Supported judgement in context	L3 EVAL	6 marks	Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks	Developed/Supported judgement without context	L2 EVAL	4 marks	Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks	Limited supported judgement	L1 EVAL	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark	
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PUBLISHED**Mark Grids for Section B****Used for Q5(a) and Q6(a)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.
1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

PUBLISHED**Mark Grids for Section B****Used for Q5(b) and Q6(b)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				5–6 marks Developed evaluation in context • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Cambridge International AS & A Level

BUSINESS**9609/21**

Paper 2 Business Concepts 2

May/June 2025**MARK SCHEME**Maximum Mark: 60

Published

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

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

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

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **39** printed pages.

PUBLISHED**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 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.

PUBLISHED**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.

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

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Question	Answer	Marks
1(a)(i)	Identify <u>one</u> feature of a private limited company. Indicative content Identification of a feature ✓ may include: • Owned by shareholders • Cannot sell shares on the open market / stock market • Sell shares for family/friends • Can raise extra capital by selling shares • Limited liability • Continuity of operations • Legal personality • Incorporation <i>If more than one answer is given, only mark the first, reading from top left to bottom right.</i> <i>Do not reward vague points that apply to any private sector organisation, including a private limited company, e.g. not owned by government.</i>	1

Question	Answer	Marks								
1(a)(ii)	Explain the term <i>customer (market) orientation</i>	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding										
Knowledge of customer orientation  will include (max 1 mark):										
- Knowledge of customer, including: - Purchaser/buyer (accept consumer/end-user/target audience) - Who they sell to - Demand-based (accept demand)										
OR										
- Knowledge of orientation, including: <u>Focused</u> on customer/purchaser/buyer/consumer/end-user/market - Customer at the <u>heart/centre</u> - Satisfying their needs - Outward looking approach										
AO2 Application										
Explanation of customer orientation  will include (1 mark):										
- Knowledge of customer, including: - Purchaser/buyer (accept consumer/end-user/target audience) - Who they sell to - Demand-based (accept demand)										

Question	Answer	Marks																		
1(a)(ii)	AND - Knowledge of orientation, including: <u>Focused</u> on customer/purchaser/buyer/consumer/end-user/market - Customer at the <u>heart/centre</u> - Satisfying their needs - Outward looking approach Context applied to customer orientation APP, including (max 1 mark): - Any example of customer orientation, including: - Putting the customer at the centre of decision making - An example of a customer orientated decision - Methods of identifying customer wants/needs, e.g. customer feedback / specific requests on NS's blog / sales data - Benefit of customer orientation, e.g. increased customer satisfaction, market leadership Accept all valid responses. <table border="1"> <thead> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>Buyers K are at the centre of operations APP. By responding to customer requests on its blog APP NS was able to decide what products to expand its range with.</td><td>3</td><td>An answer which starts with the knowledge and then applies it to customer demand and NS.</td></tr> <tr> <td>Basing product decisions K on purchaser demand APP. A business could decide which products to make APP, in response to market research.</td><td>3</td><td>Again, knowledge first, followed by application to a decision (production) and to the demand (market research data).</td></tr> <tr> <td>Focused K on the buyer APP.</td><td>2</td><td>Clear knowledge. Some application</td></tr> <tr> <td>Managers think about purchasers' needs K.</td><td>1</td><td>Not a perfect definition, but enough to award the knowledge mark. No attempt to apply.</td></tr> <tr> <td>It is about choices that have to be made by a business, for example how to allocate resources. TV</td><td>0</td><td>No knowledge of customer orientation. Too vague.</td></tr> </tbody> </table>	Exemplar and annotations	Mark	Rationale	Buyers K are at the centre of operations APP . By responding to customer requests on its blog APP NS was able to decide what products to expand its range with.	3	An answer which starts with the knowledge and then applies it to customer demand and NS.	Basing product decisions K on purchaser demand APP . A business could decide which products to make APP , in response to market research.	3	Again, knowledge first, followed by application to a decision (production) and to the demand (market research data).	Focused K on the buyer APP .	2	Clear knowledge. Some application	Managers think about purchasers' needs K .	1	Not a perfect definition, but enough to award the knowledge mark. No attempt to apply.	It is about choices that have to be made by a business, for example how to allocate resources. TV	0	No knowledge of customer orientation. Too vague.	
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Question	Answer	Marks									
1(b)(i)	Refer to Table 1.1. Calculate NS's capacity utilisation in 2024. Indicative content Rate of capacity utilisation = $\frac{\text{Current output level}}{\text{Maximum output level}} \times 100$ (1 mark – formula only) NS capacity utilisation = $\frac{145\,000}{150\,000} \times 100$ (1 mark – use of correct figures in formula) Answer = 96.67(%) or 96.7 or 97 (3 marks – correct answer no working or % needed) OFR applies Exemplar and annotations <table border="1"> <tr> <th>Marks</th><th></th><th></th></tr> <tr> <td>3 marks</td><td>Correct answer (including minus) 96.67(%) or 96.7 or 97</td><td>Working and % do not matter. Must be three ✓ to denote the three marks.</td></tr> <tr> <td>2 marks</td><td> Two of the following: • Correct formula • Correct identification of figures OR An incorrect answer with one mistake allowing OFR for final stage. OR Correct workings, but the final answer is incorrectly rounded </td><td> To award two marks, there must be • Two ✓ and a ✗ OR • One ✓ , one ✗ and one OFR </td></tr> </table>	Marks			3 marks	Correct answer (including minus) 96.67(%) or 96.7 or 97	Working and % do not matter. Must be three ✓ to denote the three marks.	2 marks	Two of the following: • Correct formula • Correct identification of figures OR An incorrect answer with one mistake allowing OFR for final stage. OR Correct workings, but the final answer is incorrectly rounded	To award two marks, there must be • Two ✓ and a ✗ OR • One ✓ , one ✗ and one OFR	3
Marks											
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Question	Answer			Marks
1(b)(i)	Marks			
	1 mark	Correct formula	To award one mark, there must be: One ✓ and two ✗	
	0 marks	No creditable content.	To award zero marks, there must be One ✗	

Question	Answer	Marks								
1(b)(ii)	Explain <u>one</u> possible disadvantage to NS of high capacity utilisation.	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding										
Identification of a disadvantage of high capacity utilisation K (max. 1 mark), including:										
• Pressure on employees to work at full/near capacity constantly (accept anxiety / stress / need to work overtime) • Pressure to keep employees motivated • No margin for production errors / scheduling mistakes • Cannot accept increased/additional orders • No time for maintenance of machinery / machines break down a lot • Over-production (accept inventory going off before it can be sold) • Low inventory of inputs/raw materials / run out of materials • No space left for finished product • Not sustainable in the long-term										
AO2 Application										
• Explanation of a disadvantage of high capacity utilisation APP (max 1 mark), including: • Pressure on employees to work at full/near capacity constantly – increased employee absenteeism / demotivation / increased labour turnover – reduced productivity long-term										

Question	Answer	Marks												
1(b)(ii)	- No margin for production errors / scheduling mistakes – may lead to customer dissatisfaction due to lower quality - Cannot take on increased/additional orders – may lead to customer dissatisfaction / customers may go to competitors who are able to accept increased/additional orders - Machines break down a lot – no output Context applied to NS APP (max 1 mark), including: - Answer to Q1(b)(i) (OFR) - Market leader for natural hair care - Five years since John's investment - Sold in major retailer - Private limited company operated as a social enterprise - Focuses on customer (market) orientation - Aim to donate to local charities and improving gender equality in the workplace Accept all valid responses. <table border="1"> <thead> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>A disadvantage would be high pressure on employees K, due to lack of spare capacity APP because NS is working at 97% capacity APP.</td><td>3</td><td>High pressure is a reasonable factor, explained in the specific context of NS by using the data in Table 1.1.</td></tr> <tr> <td>There is insufficient time for maintenance K, as machines are always working APP which could cost NS the title of market leader APP.</td><td>3</td><td>Lack of maintenance time is K and there are two specific pieces of context based on this so two APP.</td></tr> <tr> <td>NS is market leader APP and capacity utilisation is already at 97% APP so NS may have to refuse other large orders K.</td><td>3</td><td>Although the APP appears first, it cannot be awarded until the K has been found. However, there is obvious K, so you can go back and award the APP.</td></tr> </tbody> </table>	Exemplar and annotations	Mark	Rationale	A disadvantage would be high pressure on employees K , due to lack of spare capacity APP because NS is working at 97% capacity APP .	3	High pressure is a reasonable factor, explained in the specific context of NS by using the data in Table 1.1.	There is insufficient time for maintenance K , as machines are always working APP which could cost NS the title of market leader APP .	3	Lack of maintenance time is K and there are two specific pieces of context based on this so two APP .	NS is market leader APP and capacity utilisation is already at 97% APP so NS may have to refuse other large orders K .	3	Although the APP appears first, it cannot be awarded until the K has been found. However, there is obvious K , so you can go back and award the APP .	
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Question	Answer			Marks
1(b)(ii)	Exemplar and annotations	Mark	Rationale	
	There is no margin for errors in production K to its major retail customers APP .	2	No margin for error is K . The context to major retail customers is reasonable APP , but only one point of application.	
	Regular customers cannot increase their orders K if demand increases which could be a huge opportunity cost in terms of future sales. NAQ	1	Cannot increase orders is a factor. The rest of the answer is not applying it to the context, so NAQ (Not Answering Question).	
	Capacity utilisation is the proportion of maximum output capacity currently being achieved, currently 97%. It shows the total possible sustained output of a business in a given time period. It is a major factor in determining the operational efficiency of a business which in this case is very high TV .	0	Although there is some relevant context, there is no knowledge of a factor, so no marks can be awarded.	

Question	Answer				Marks
1(c)	Analyse <u>two</u> selection methods that NS could use to choose a new Marketing Manager.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
	Annotate Method 1 in the left hand side column, method 2 in the right hand side column				

Question	Answer	Marks
1(c)	Indicative content AO1 Knowledge and understanding Identification of a method of selection (max 2 Ks), including: • Curriculum vitae (CV) • Résumé • Application forms • Interviews • References • Testing • Assessment centres • Role play • Presentations • Appraisal records <i>Note: A selection method is about the candidate, rather than the process the employer uses, e.g. shortlisting, screening or sifting.</i> AO2 Application Max one APP for application in the first selection method and max one APP for application in the second selection method. Application of the selection method to NS for the new Marketing Manager (max 2 APPs), including: • Market leader for natural hair care • Five years since John's investment • Sold in major retailer • Private limited company operated as a social enterprise • Focuses on customer (market) orientation • Aim to donate to local charities and improving gender equality in the workplace • Expanded its range slowly based on customer feedback, specific requests on its blog, and sales data. • NS products are now sold in major cosmetic retailers	

Question	Answer	Marks									
1(c)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV candidate shows two or more links in the chain of analysis or a two-sided analysis. - Curriculum vitae shows the applicant has required skills; reduces training costs / increases productivity – increasing profitability - Application forms show required experience; all information is on the form so managers can save time when selecting candidates – this time can be used to make other operational decisions - Interviews show understanding of aims; candidate understands what the business is aiming to achieve to do – which helps the aims to be met - References provide proof of experience; improves customer service leading to customer satisfaction – increased market share Accept all valid responses. Exemplar and annotations <table border="1"> <thead> <tr> <th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr> </thead> <tbody> <tr> <td>Curriculum vitae K.</td><td>Proves experience of working in a customer orientated industry APP</td><td>Enabled trust in candidates' abilities which can be used in promotion AN to approach more cosmetic retailers DEV.</td></tr> <tr> <td>Assessment centres K</td><td>Can check whether values align with the values of the social enterprise APP</td><td>To continue to improve gender equality and avoid costly AN marketing mistakes from a lack of knowledge and experience. Cost reduction will lead to increased profits DEV.</td></tr> </tbody> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	Curriculum vitae K .	Proves experience of working in a customer orientated industry APP	Enabled trust in candidates' abilities which can be used in promotion AN to approach more cosmetic retailers DEV .	Assessment centres K	Can check whether values align with the values of the social enterprise APP	To continue to improve gender equality and avoid costly AN marketing mistakes from a lack of knowledge and experience. Cost reduction will lead to increased profits DEV .	
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Question	Answer				Marks
1(d)	Evaluate the most likely reason for conflict to arise between the owners of NS				12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	
	3				
				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.	
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.

Question	Answer					Marks
1(d)	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/ conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
	Indicative content AO1 Knowledge and understanding Knowledge of likely reasons for conflict to arise (max 2 Ks), may include: - Aims / objectives / vision / mission - Idea / suggestions - Personal disagreements (brought into the workplace) - Communication - Speed of expansion - Cultures - Leadership styles / power - Choice of employees - Part-ownership / loss of control - Change of business ownership, e.g. move from private limited to public limited company					

Question	Answer	Marks
1(d)	• Finance • Personality (clash) / morale • Experience / job roles • Location AO2 Application <i>Limited application</i> APP applies knowledge of NS aims and objectives and/or stakeholder groups once. <i>Developed application</i> APP + APP applies knowledge of NS aims and objectives and/or stakeholder groups twice. • Market leader for natural hair care • Five years since John's investment • Sold in major retailer • Private limited company operated as a social enterprise • Focuses on customer (market) orientation • Aim to donate to local charities and improving gender equality in the workplace • Use of data from Table 1.1 • NS expanded its range slowly, based on customer feedback, sales data and specific requests on its blog • NS products are now sold in major cosmetic retailers • John's main aim is to increase long-term profits to maximise return on investment AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis. • Aims/objectives; differing objectives may lead to fewer charitable donations – reduce marketing opportunities • Idea/suggestions; longer decision making due to disagreements – competitors launch a new product before NS • Communication; employees are given different instructions by different owners causing employee confusion and productivity reductions – leading to less profits • Speed of expansion; one owner wants quicker expansion which the other owner does not want, leading to inefficiency – reducing profits • Cultures; the culture of the two owners differ leading to inefficiency – increasing costs • Choice of employees; the orientation may be lost leading to poor decision making – less profit • Loss of control; the original owners' aims may not be considered in decision making – reducing customer satisfaction <i>Note: Accept answers about an impact on either the owners or NS.</i>	

Question	Answer	Marks									
1(d)	AO4 Evaluation Limited evaluation – an unsupported judgement and/or weak attempt at an evaluative comment EVAL Developed evaluation – supported judgement and/or reasonable evaluative comment E Developed evaluation in context – supported judgement in context and/or reasonable evaluative comment in context EE. - Relative importance of aims and objectives – are other issues more important, e.g. potential personal income, the opportunity to take the brand to an international market - The likely impact on the business's performance / achievement of aims and objectives - The likely impact on different stakeholders - A judgement on the most likely reason for conflict between the owners of NS Accept all valid responses. Exemplars for awarding evaluation <table border="1"> <thead> <tr> <th>L1 EVAL (limited supporting evidence)</th><th>L2 E (developed supporting evidence)</th><th>L3 EE (developed supporting evidence with context)</th></tr> </thead> <tbody> <tr> <td>The most likely reason is the differing aims of the owners.</td><td>The most likely reason is the differing aims of the owners, increasing the time to make decisions.</td><td>The most likely reason is the differing aims of the owners, increasing the time to make decisions, leading to the loss of market leadership.</td></tr> <tr> <td>NS has grown very quickly which could cause the greatest conflict.</td><td>NS has grown very quickly which could cause the greatest conflict. This could lead to diseconomies of scale.</td><td>NS has grown very quickly which could cause the greatest conflict. This could lead to diseconomies of scale which could lead to reduced long-term profits disappointing John.</td></tr> </tbody> </table>	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	The most likely reason is the differing aims of the owners.	The most likely reason is the differing aims of the owners, increasing the time to make decisions.	The most likely reason is the differing aims of the owners, increasing the time to make decisions, leading to the loss of market leadership.	NS has grown very quickly which could cause the greatest conflict.	NS has grown very quickly which could cause the greatest conflict. This could lead to diseconomies of scale.	NS has grown very quickly which could cause the greatest conflict. This could lead to diseconomies of scale which could lead to reduced long-term profits disappointing John.	
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Question	Answer	Marks
2(a)(i)	Identify <u>one</u> way in which business size can be measured. Indicative content Identification of a method ✓ may include: • Capital employed • Market capitalisation • Market share • Revenue (allow sales, sales turnover or turnover, income) • Quantity sold • Value of output • Number of employees • Area/space • Number of outlets • Number of customers Do not allow profit – which is a measure of success or performance, but not size. <i>If more than one answer is given, only mark the first, reading from top left to bottom right.</i> Accept all valid responses.	1

Question	Answer	Marks								
2(a)(ii)	Explain the term <i>demographic segmentation</i>.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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	0 marks No creditable response.		0 marks No creditable response.							
	Indicative content									
	AO1 Knowledge and understanding									
	Knowledge of demographic segmentation K may include:									
	• The identification of groups of customers with similar or common needs or characteristics within a market • Dividing the market according to factors that describe the population • Specific customer groups / target markets									
AO2 Application										
Explanation of demographic segmentation APP (max 1 mark) including:										
• Study of population data/trends • Examples of demographic factors, e.g. age, gender, race, social class, income										
Context applied to demographic segmentation APP , including (max 1 mark):										
• A valid example of a business that uses demographic segmentation to plan how it markets its products, e.g. a luxury car manufacturer may use demographic segmentation to target its advertising at high-income individuals or PH targets its student rental accommodation at university students										

Question	Answer	Marks															
2(a)(ii)	- Used for marketing of different products or services to specific consumer groups - Helps the business to adapt the marketing mix to the needs of the target customer group - Different marketing decisions for different groups Accept all valid responses <i>Application can be made to PH or any other scenario/context/business/person.</i> <table> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> <tr> <td>Dividing the market into groups K according to age or gender APP, for example a clothes retailer has three departments with products for men, women and children APP.</td><td>3</td><td>The answer starts with application but shows knowledge by the reference to age/gender. There is an example of the use of demographic segmentation by a clothes retailer.</td></tr> <tr> <td>Identifying groups of customers with similar needs or characteristics within a market K using population data such as age APP</td><td>2</td><td>Clear knowledge. With some application of how</td></tr> <tr> <td>Used for marketing of different products or services to specific types of customer K</td><td>1</td><td>A reasonable definition</td></tr> <tr> <td>Segmenting using demographics TV</td><td>0</td><td>Tautological</td></tr> </table>	Exemplar and annotations	Mark	Rationale	Dividing the market into groups K according to age or gender APP , for example a clothes retailer has three departments with products for men, women and children APP .	3	The answer starts with application but shows knowledge by the reference to age/gender. There is an example of the use of demographic segmentation by a clothes retailer.	Identifying groups of customers with similar needs or characteristics within a market K using population data such as age APP	2	Clear knowledge. With some application of how	Used for marketing of different products or services to specific types of customer K	1	A reasonable definition	Segmenting using demographics TV	0	Tautological	
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Question	Answer	Marks									
2(b)(i)	Refer to lines 6–8. Calculate PH's labour turnover in 2024. Formula to calculate labour turnover: $\frac{\text{number of employees leaving in 1 year}}{\text{Average number of people employed}} \times 100$ (1 mark – formula only) Use of figures: $\frac{45}{150} \times 100$ (1 mark – use of correct figures) Labour turnover: 30% (1 mark – correct answer – no % necessary) Exemplar and annotations <table border="1"> <thead> <tr> <th>Marks</th><th>Answer</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>3 marks</td><td>Correct answer 30%</td><td>Working and % do not matter. Must be three ✓ to denote the three marks. Correct rounding must be applied.</td></tr> <tr> <td>2 marks</td><td> Both of the following: - Correct formula - Correct identification of figures OR An incorrect answer with one mistake allowing OFR for final stage. OR 0.3 (has not completed final stage to multiply by 100) OR A correct answer from an inverted formula (3.3 – OFR) </td><td> To award two marks, there must be - Two ✓ and a ✗ OR - One ✓, one ✗ and one OFR </td></tr> </tbody> </table>	Marks	Answer	Rationale	3 marks	Correct answer 30%	Working and % do not matter. Must be three ✓ to denote the three marks. Correct rounding must be applied.	2 marks	Both of the following: - Correct formula - Correct identification of figures OR An incorrect answer with one mistake allowing OFR for final stage. OR 0.3 (has not completed final stage to multiply by 100) OR A correct answer from an inverted formula (3.3 – OFR)	To award two marks, there must be - Two ✓ and a ✗ OR - One ✓, one ✗ and one OFR	3
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Question	Answer			Marks
2(b)(i)	Marks	Answer	Rationale	
	1 mark	One of the following: • Correct formula	To award one mark, there must be: • One ✓ and two ✗	
	0 marks	No creditable content.	To award zero marks, there must be • One ✗	

Question	Answer	Marks								
2(b)(ii)	Explain <u>one</u> way in which PH could use Maslow’s Hierarchy of Needs	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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Indicative content										
AO1 Knowledge and understanding Knowledge of a use of a motivational theory K (max 1 mark), including: • Change the way that employees are treated/managed/motivated at PH or relevant examples • Make changes to increase motivation to maintain PH’s low labour turnover/retain employees • Understand employee behaviour/employee motivation • Measuring employee needs										
AO2 Application Explanation of a use of Maslow’s hierarchy of needs APP (max 1 mark), including: • Explain how motivation affects how employees behave, e.g. an employee doing a repetitive job/working alone may have a high absenteeism rate • Explain the use with reference to one of Maslow’s categories of need, e.g. physiological, safety, love and belonging, esteem and self-actualisation needs • Examples of how PH could change the way that employees are managed/motivated: • Offer more opportunities for internal promotion • Increase employee salaries • Encourage employees to stay in the business • Change working conditions										

Question	Answer	Marks															
2(b)(ii)	Context applied to PH APP (max 1 mark), including: • Use of demographic segmentation in its market research • University students would pay a premium price for high specification rental accommodation • Specialist teams focused on sales, maintenance, customer service and finance. • Little opportunity for internal promotion • Low salaries • Offers profit sharing • 150 employees • Low labour turnover • Profit reduced by 75% • In 2024, 45 employees left PH • Increased complaints about maintenance and customer service • Use of data from Fig. 2.1 • Operations Director wants to improve the sustainability of PH's operations Accept all valid responses. <table border="1"> <thead> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>Managers can understand what motivates employees K such as ensuring physiological needs are met APP for the 150 employees APP.</td><td>3</td><td>Use of Maslow's hierarchy of needs by managers K, with further explanation with reference to Maslow's hierarchy APP. The third mark is for reference to the context APP.</td></tr> <tr> <td>Helps managers decide how to change their management style K so that less than 45 employees leave this year APP.</td><td>2</td><td>Knowledge of a use and applied to the number of employees.</td></tr> <tr> <td>Identifies the different motivations for human behaviour K</td><td>1</td><td>Knowledge of a use with no application</td></tr> <tr> <td>Maslow's Hierarchy of needs is a motivational theory is the study of understanding what drives a person to work towards a particular goal or outcome NAQ TV.</td><td>0</td><td>No use of Maslow's hierarchy of needs. This answer is a definition of the theory and does not answer the question</td></tr> </tbody> </table>	Exemplar and annotations	Mark	Rationale	Managers can understand what motivates employees K such as ensuring physiological needs are met APP for the 150 employees APP .	3	Use of Maslow's hierarchy of needs by managers K , with further explanation with reference to Maslow's hierarchy APP . The third mark is for reference to the context APP .	Helps managers decide how to change their management style K so that less than 45 employees leave this year APP .	2	Knowledge of a use and applied to the number of employees.	Identifies the different motivations for human behaviour K	1	Knowledge of a use with no application	Maslow's Hierarchy of needs is a motivational theory is the study of understanding what drives a person to work towards a particular goal or outcome NAQ TV .	0	No use of Maslow's hierarchy of needs. This answer is a definition of the theory and does not answer the question	
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Question	Answer				Marks
2(c)	Analyse <u>one</u> advantage and <u>one</u> disadvantage to PH of using an overdraft as a source of finance.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
Advantage in the left hand side column, disadvantage in the right hand side column					

Question	Answer	Marks
2(c)	Indicative content AO1 Knowledge and understanding Knowledge of one advantage using an overdraft as a source of finance K (max 1 mark), including: • Quick – previously agreed / immediately available • Convenient – can use it as required • Flexible • No repayment schedule • No loss of ownership Knowledge of one disadvantage using an overdraft as a source of finance K (max 1 mark), including: • High interest rates / fees • Can be recalled at any time • Often low limit available • Can only be used for short-term needs • Must be repaid <i>Note: the advantages/disadvantages have to be true for an overdraft, but not exclusively true to an overdraft (i.e. they may apply to other sources of finance).</i> AO2 Application Application of an advantage or disadvantage to PH APP, including: • Use of demographic segmentation in its market research • University students would pay a premium price for high specification rental accommodation • Specialist teams focused on sales, maintenance, customer service and finance. • Little opportunity for internal promotion • Low salaries • Offers profit sharing • 150 employees • Low labour turnover • Profit reduced by 75% • In 2024, 45 employees left PH • Increased complaints about maintenance and customer service • Use of data from Fig. 2.1	

Question	Answer	Marks
2(c)	- Operations Director wants to improve the sustainability of PH's operations - Use of data from Fig. 2.1 - Operations Director wants to improve the sustainability of PH's operations AO3 Analysis <i>Limited analysis of an advantage/disadvantage of using an overdraft AN – candidate shows one link in the chain of analysis.</i> <i>Developed analysis of an advantage/disadvantage of using an overdraft DEV candidate shows two or more links in the chain of analysis or a two-sided analysis.</i> Analysis may include: - Quick – previously agreed / immediately available; the funds can be used for expansion immediately – leading to increased market share - Convenient – can use it as required; no time is wasted with application – can be used for other activities such as marketing - Flexible; can be used for any type of purchase – to meet the business objectives - No repayment schedule; this will reduce cash outflows – This money can be used to better maintain the properties rented, reducing customer complaints. - High interest rates/fees; higher interest rates may increase costs – this will reduce profits - Can be recalled at any time; the business may need to suddenly repay the money leading to cashflow problems – threatening business survival - Often low limit available; The overdraft limit may be low. This will limit the investments that PH can make – therefore the business will not be able to reduce complaints. - Can only be used for short-term needs; limiting the project that the money can be used for – some objectives may not be met - Must be repaid; increasing cash outflows – less funds available for marketing Accept all valid responses.	

Question	Answer				Marks
2(c)	Exemplar and annotations				
		AO1 Knowledge	AO2 Application	AO3 Analysis	
	Exemplar of an advantage <i>Annotations for the advantage should be placed in the left-hand margin.</i>	Interest only charged on the overdrawn amount K	For upgrading accommodation in high-income cities APP .	Ensures short term cost is minimal AN reducing further pressure on profit levels DEV .	
	Exemplar of a disadvantage <i>Annotations for the disadvantage should be placed in the right-hand margin.</i>	The funds need to be repaid K	If student accommodation not rented out APP .	This could lead to a bad credit rating if payments missed AN which may increase cost of future borrowing DEV .	

Question	Answer				Marks
2(d)	Evaluate whether Frank’s plan will improve the sustainability of PH’s operations				12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	
	3				
				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.	
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.

Question	Answer					Marks
2(d)	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
	Indicative content AO1 Knowledge and understanding Knowledge of sustainability of operations (max 1 ) , including: - Operating / surviving / remaining in business for the long-term / future / not running out of money / continuity / stable - Efficiency - Productive - Day-to-day running of the business - Keeping customers satisfied - Maintaining profitability – reducing expenses and increasing revenue <i>Note: The question stem asks about operational sustainability. Therefore, operational sustainability must be the focus of the answer, not environmental sustainability.</i>					

Question	Answer	Marks
2(d)	AO2 Application Application of an advantage or disadvantage to PB APP, including: • Use of demographic segmentation in its market research • University students would pay a premium price for high specification rental accommodation • Specialist teams focused on sales, maintenance, customer service and finance. • Little opportunity for internal promotion • Low salaries • Offers profit sharing • 150 employees • Low labour turnover • Profit reduced by 75% • In 2024, 45 employees left PH • Increased complaints about maintenance and customer service • Use of data from Fig. 2.1 AO3 Analysis <i>Limited analysis of whether the plan will improve the sustainability of PH's operations AN – candidate shows one link in the chain of analysis.</i> <i>Developed analysis of whether the plan will improve the sustainability of PH's operations DEV – candidate shows two or more links in the chain of analysis.</i> • Financial stability; reduce short term cash inflow – reduce debt burden and interest payments • Focus on profit; increase profit margins – focus on core values • Increased efficiency of workforce; may lose excellent employees who take knowledge to competitors – lose market share/customer service may reduce further due to losing more experienced employees • Keeping customers satisfied; increased market share – more market power / ability to increase prices • Business continues for the long-term; increased employee satisfaction from greater job security – reduced labour turnover AO4 Evaluation Limited evaluation – an unsupported judgement and/or weak attempt at an evaluative comment EVAL Developed evaluation – supported judgement and/or reasonable evaluative comment E Developed evaluation in context – supported judgement in context and/or reasonable evaluative comment in context EE .	

Question	Answer	Marks									
2(d)	- The impact of the plan depends on the timescales, future aims and objectives and financial liquidity of PH. After downsizing the amount of revenue generated may not meet shareholder expectations - Will demand for premium accommodation increase in the future? What are the demands of students? - Should PH repurpose its accommodation for a different target audience, create a subsidiary brand and grow market share? - Is market share and size the most important measure of success, or is profitability more important? - The extension strategy may generate a short-term boost to sales/market share, but will it be sustained in the long-term? - A judgement on whether the course of action is suitable for PH. Accept all valid responses. Exemplars for awarding evaluation <table border="1"> <thead> <tr> <th>L1 EVAL (limited supporting evidence)</th><th>L2 E (developed supporting evidence)</th><th>L3 EE (developed supporting evidence with context)</th></tr> </thead> <tbody> <tr> <td>Frank's plan will improve the sustainability of PH's operations.</td><td>Frank's plan will improve the sustainability of PH's operations. Increased labour efficiency will reduce expenditure on salaries.</td><td>Frank's plan will improve the sustainability of PH's operations. Increased labour efficiency will reduce expenditure on salaries. This will help to reverse the trend of reducing profit levels over the past two years.</td></tr> <tr> <td>I don't think the sustainability of PH's operations will be improved.</td><td>I don't think the sustainability of PH's operations will be improved. Investing in new accommodation will cost a lot of money.</td><td>I don't think the sustainability of PH's operations will be improved. Investing in new accommodation will cost a lot of money, and PH does not have experienced employees to do the work as they have left.</td></tr> </tbody> </table>	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	Frank's plan will improve the sustainability of PH's operations.	Frank's plan will improve the sustainability of PH's operations. Increased labour efficiency will reduce expenditure on salaries.	Frank's plan will improve the sustainability of PH's operations. Increased labour efficiency will reduce expenditure on salaries. This will help to reverse the trend of reducing profit levels over the past two years.	I don't think the sustainability of PH's operations will be improved.	I don't think the sustainability of PH's operations will be improved. Investing in new accommodation will cost a lot of money.	I don't think the sustainability of PH's operations will be improved. Investing in new accommodation will cost a lot of money, and PH does not have experienced employees to do the work as they have left.	
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Cambridge International AS & A Level

BUSINESS**9609/22**

Paper 2 Business Concepts 2

May/June 2025**MARK SCHEME**Maximum Mark: 60

Published

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

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

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

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **38** printed pages.

PUBLISHED**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 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.

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

PUBLISHED

Question	Answer	Marks
1(a)(i)	Identify <u>one</u> business activity within the quaternary sector. Responses may include: The quaternary sector consists of those industries providing knowledge/communication and information services, such as • computing • ICT • consultancy • research and development (R&D) • digital marketing • digital recruitment and selection • Intellectual property (copyright, patents) Allow examples of specific business', industries etc. that exist in the quaternary sector, including • web/internet design • Education • Training • Media • Government • Cyber security <i>Note: – allow any activity that could be in the quaternary sector</i> Accept all valid responses.	1

Question	Answer	Marks								
1(a)(ii)	Explain the term <i>supply chain management</i>.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Responses may include:										
AO1 Knowledge and understanding										
Knowledge of supply chain management K (max 1 mark), including: The coordination (allow management) of the flow/movement of goods and services. Allow – management of inventory –management of raw materials										
AO2 Application APP										
<i>Limited application</i> APP 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>Developed application</i> APP + APP applies knowledge of supply chain management in two or more aspects of a business.										
Explanation of supply chain management APP (max 2 marks), including: From suppliers to business Within the business To the customer										

Question	Answer	Marks																								
1(a)(ii)	• From suppliers APP – and to customers APP. • Between different parts within the business – and to the customer. • Raw materials within the business – and to distribution channels. • Involves the complete chain of inventory from suppliers – to customers. • Involves inventories, from raw materials – to finished goods. Accept all valid responses. <table border="1"> <thead> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>Coordination of the movement of products K. For example, how raw materials are delivered to the business APP and how the business delivers products to customers APP.</td><td>3</td><td>Explicit knowledge of supply chain management and explanation of two elements of the supply chain.</td></tr> <tr> <td>The coordination of products K from the suppliers delivering to the business APP and how the business moves these through its production process APP.</td><td>3</td><td>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>Movement of inventory K around a factory APP, and to the customers APP.</td><td>3</td><td>Knowledge of movement with movement around a factory and to customers, so all three marks.</td></tr> <tr> <td>Management of the raw materials being turned into products K which can be sent to customers APP.</td><td>2</td><td>Clear knowledge, but only one type of movement.</td></tr> <tr> <td>Managing the movement of products K.</td><td>1</td><td>Not a perfect definition, but enough to award the knowledge mark. No attempt to apply.</td></tr> <tr> <td>Looking after how products are offered to customers.</td><td>0</td><td>No explicit knowledge of movement. Can not award APP without K.</td></tr> <tr> <td>Managing the supply chain. TV</td><td>0</td><td>Tautology</td></tr> </tbody> </table>	Exemplar and annotations	Mark	Rationale	Coordination of the movement of products K . For example, how raw materials are delivered to the business APP and how the business delivers products to customers APP .	3	Explicit knowledge of supply chain management and explanation of two elements of the supply chain.	The coordination of products K from the suppliers delivering to the business APP and how the business moves these through its production process APP .	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 K around a factory APP , and to the customers APP .	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 K which can be sent to customers APP .	2	Clear knowledge, but only one type of movement.	Managing the movement of products K .	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. TV	0	Tautology	
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Question	Answer	Marks
1(b)(i)	Refer to Table 1.1 and other information. Calculate TT's forecast total profit from the QZ contract. Formula: Profit = TR – TC (direct costs + indirect costs) (1) OR Calculation of total direct costs = \$5 × 5000 = \$25 000 (1) Calculation of TC: TC = \$25 000 + \$9000 = \$34 000(1) Answer \$40000 – \$34000 = \$6000 (1 – OFR rule applies) Ans = \$6000 (3 marks)	

Question	Answer			Marks
1(b)(i)	Exemplars and annotations			
	Marks			
	3 marks	Correct answer 6000	Working and \$ sign do not matter. An answer of 6 is incorrect.	
	2 marks	Correct calculation of total costs (TC) (\$34 000 – with working). OR Correct calculation of gross profit (\$15 000 – with working) OR An incorrect answer with one mistake allowing OFR for final stage.	To award two marks, there must be • Two ✓ and a ✗ OR • One ✓, one ✗ and one OFR OR • Two OFR and a ✗	
	1 mark	One of the following: • Correct formula • Correct calculation of total direct costs (\$25 000)	To award one mark, there must be: • One ✓ and two ✗	
	0 marks	No creditable content.	To award zero marks, there must be a minimum of one ✗	

Question	Answer	Marks								
1(b)(ii)	Explain <u>one</u> reason why TT needs accurate cost information.	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Responses may include:										
AO1 Knowledge and understanding										
Identification of a reason why a business needs accurate cost information  (max 1 mark), including:										
• To calculate the total cost of production • To make sure a profit is made • To identify the profit margin • To identify the break even point / margin of safety / target profit level • To know how much finance is needed • To categorise costs • To forecast sales • To budget/plan • To set prices										

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Question	Answer	Marks
1(b)(ii)	AO2 Application Explanation of a reason why a business needs accurate cost information APP (max 1 mark), including: • To calculate the total cost of production – to calculate profit levels • To make sure a profit is made – which can increase dividends • To identify the profit margin – to benchmark against other businesses • To identify the break-even point / margin of safety / target profit level – to ensure the business sells enough to cover the costs • To know how much finance is needed – so that a bank can see how much profit may be made • To categorise costs – to budget for cost centres • To forecast sales – to estimate the break-even level of sales • To budget – so that the business can plan for future expansion • To set prices – by knowing the total costs which need to be covered. Context applied to TT APP (max 1 mark), including: • TT has shareholders • Specialises in supply chain management • Contracts to deliver raw materials • To secondary and tertiary sector businesses • Agreed contract between TT and QZ • Use of Table 1.1 • TT employs 120 drivers • Objective to increase sales • Targeting small, online retail businesses • Requires a new fleet of smaller trucks	

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Question	Answer			Marks
1(b)(ii)	Exemplar and annotations	Mark	Rationale	
	To set prices K by calculating the total costs and setting a price higher than the cost per unit APP when delivering 5000 products for QZ APP .	3	A reason identified, explained and in context, so all 3 marks.	
	To set budgets K for the 5000 QZ deliveries APP .	2	A reason identified, but not explained. The context about QZ is fine.	
	So that TT can know how much finance it needs K 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.	
	Plans to use digital promotion.			
Accept all valid responses.				

Question	Answer				Marks
1(c)	Analyse <u>two</u> advantages to TT of improving diversity and equality in the workplace.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

Question	Answer	Marks
1(c)	<i>Note: Annotate the first advantage in the left-hand margin and the second advantage in the right-hand margin.</i> Responses may include: AO1 Knowledge and understanding Identification of an advantage of improving diversity and equality K, including: • Increase potential supply of workers • Reduce the chance of being sued • Increase motivation • Improve reputation/ brand image • Attract more diverse employees • Reduce labour turnover AO2 Application Application of the advantage to TT APP, including: • TT is a private limited company • Specialises in supply chain management • Contracts to deliver raw materials • To secondary and tertiary sector businesses • Works with one of the largest manufacturers in country J • Agreed contract between TT and QZ • Use of Table 1.1 • TT employs 120 drivers • Objective to increase sales • Targeting small, online retail businesses • Requires a new fleet of smaller trucks • Plans to use digital promotion • Industry has been criticised for not having diversity and equality	

Question	Answer	Marks									
1(c)	AO3 Analysis - Limited analysis of an advantage of improving diversity and equality to a business AN – developed analysis DEV, including: - Increase potential supply of workers: reduce labour costs – increase profitability. - Reduce the chance of being sued – decrease business costs – increase profit. - Increase motivation – increase efficiency of the business – increase profitability. - Improve reputation – increase sales / contracts – increase profit. - Attract more diverse employees – brings new ideas into the business – increase sales / profit. - Reduce labour turnover – reduce business costs – increase profitability. Accept all valid responses. Exemplar and annotations <table> <tr> <th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr> <tr> <td>Motivate drivers K,</td><td>as there are 120 of them APP,</td><td>so this might lead to more productive employees AN leading to lower average costs DEV.</td></tr> <tr> <td>Attract better employees K.</td><td>Which will help TT reach its objective to increase sales APP,</td><td>by having more skilled employees, TT can increase the number of deliveries AN and therefore increase the profit DEV.</td></tr> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	Motivate drivers K ,	as there are 120 of them APP ,	so this might lead to more productive employees AN leading to lower average costs DEV .	Attract better employees K .	Which will help TT reach its objective to increase sales APP ,	by having more skilled employees, TT can increase the number of deliveries AN and therefore increase the profit DEV .	
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Question	Answer					Marks
1(d)	Evaluate the usefulness of digital promotion to TT when targeting small online retailers.					12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	
	3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.	
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

Question	Answer	Marks
1(d)	Responses may include: AO1 Knowledge and understanding – knowledge of digital promotion Knowledge of digital promotion K (max 2 marks), including: • Social media • Email • Using the internet /technology (marketing) • Online (marketing) • Spam • Influencer • Search engine optimisation • Mobile/smartphone/ app-based (marketing) • Viral (marketing) • Pay per click AO2 Application Application to TT APP, including: • TT is a private limited company • Specialises in supply chain management • Contracts to deliver raw materials • To secondary and tertiary sector businesses • Works with one of the largest manufacturers in country J • Agreed contract between TT and QZ • Use of Table 1.1 • TT employs 120 drivers • Objective to increase sales • Requires a new fleet of smaller trucks	

Question	Answer	Marks
1(d)	AO3 Analysis Analysis of the usefulness of digital promotion, including - Limited analysis of the use of digital promotion AN – developed analysis DEV, including: - To communicate: relatively inexpensive which reduces business costs – increases profit. - 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. - 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. 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. AO4 Evaluation Limited evaluation of the usefulness of digital promotion EVAL – developed E – developed in context EE, including: - Relative usefulness of digital promotion in targeting smaller online retailers. - Comparison with non-digital types of promotion - Comparison of different digital promotion methods. - 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. - The impact of the chosen digital promotion methods method(s) and the impact of the methods themselves. - The likely response from competitors. - A judgement of the most useful method of digital promotion. Accept all valid responses.	

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Question	Answer	Marks
1(d)	Exemplars for awarding evaluation Evaluate the usefulness of digital promotion to TT when targeting small online retailers.	
	L1 EVAL (limited supporting evidence)	
	L2 E (developed supporting evidence)	
	L3 EE (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)	Identify <u>one</u> external source of finance. Responses may include: Knowledge of an external source of finance: • share capital • debentures • new partners • venture capital • (bank) overdrafts • leasing • hire purchase • (bank) loans • mortgages • debt factoring • trade credit • micro-finance • crowd funding • government grants • peer to peer Accept all valid responses.	1

Question	Answer	Marks								
2(a)(ii)	Explain the term <i>business plan</i>.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Responses may include:										
AO1 Knowledge and understanding Knowledge of a business plan K , including:										
• formal written document containing the goals of a business. • the methods for attaining business goals/objectives/targets etc. • a written document that describes a business and its objectives. • a document outlining the direction of the business and how to get there.										
AO2 Application Explanation of a business plan APP (max 2 marks), including:										
• 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. • Any other relevant data which might be included in a business plan. • Examples of potential uses of a business; gain finance, find investors etc. • A business plan may have a specific timeframe for achieving its objectives • May include internal and external influence data										
Accept all valid responses.										

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Question	Answer	Marks																					
2(a)(ii)	<table> <tr> <th data-bbox="338 217 1243 284">Exemplar and annotations</th><th data-bbox="1243 217 1355 284">Mark</th><th data-bbox="1355 217 1924 284">Rationale</th></tr> <tr> <td data-bbox="338 284 1243 451">A written document showing the objectives for the business K and the functional areas, such as Marketing APP that are involved. Business plans are often used to apply for finance APP.</td><td data-bbox="1243 284 1355 451">3</td><td data-bbox="1355 284 1924 451">Clear knowledge that objectives form part of the business plan. A functional area also identified, as well as a use of a business plan.</td></tr> <tr> <td data-bbox="338 451 1243 624">Can be used to inform external stakeholders about the business APP. A business plan can be created for a specific time period, such as 5 years APP. It is the details about the business and its environment K.</td><td data-bbox="1243 451 1355 624">3</td><td data-bbox="1355 451 1924 624">Some idea of what is in a business plan (details and environment), and a use of a plan. Also the time period.</td></tr> <tr> <td data-bbox="338 624 1243 724">A document outlining what the business does K for a specific time period APP.</td><td data-bbox="1243 624 1355 724">2</td><td data-bbox="1355 624 1924 724">Knowledge of what is in a business plan and time period.</td></tr> <tr> <td data-bbox="338 724 1243 791">A future plan for how a business will achieve its objectives K.</td><td data-bbox="1243 724 1355 791">1</td><td data-bbox="1355 724 1924 791">Clear knowledge.</td></tr> <tr> <td data-bbox="338 791 1243 927">A plan of the business for the future TV.</td><td data-bbox="1243 791 1355 927">0</td><td data-bbox="1355 791 1924 927">Tautology – candidates need to show they know what ‘business’ and ‘plan’ mean.</td></tr> <tr> <td data-bbox="338 927 1243 994">A forecast of the sales made by a business. TV</td><td data-bbox="1243 927 1355 994">0</td><td data-bbox="1355 927 1924 994">No understanding of a business plan.</td></tr> </table>	Exemplar and annotations	Mark	Rationale	A written document showing the objectives for the business K and the functional areas, such as Marketing APP that are involved. Business plans are often used to apply for finance APP .	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 APP . A business plan can be created for a specific time period, such as 5 years APP . It is the details about the business and its environment K .	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 K for a specific time period APP .	2	Knowledge of what is in a business plan and time period.	A future plan for how a business will achieve its objectives K .	1	Clear knowledge.	A plan of the business for the future TV .	0	Tautology – candidates need to show they know what ‘business’ and ‘plan’ mean.	A forecast of the sales made by a business. TV	0	No understanding of a business plan.	
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Question	Answer	Marks
2(b)(i)	Refer to Fig 2.1 and other information. Calculate the total payment to the social media influencer in February. Formula: Total payment = salary + commission (% of sales) (1) OR Correct calculation of revenue that comes directly from the influencer in Feb = Total sales in four weeks – \$4000 + \$3000 + \$500 + \$3000 = \$10 500 (1) OR Correct calculation of total salary for influencer for Feb = \$250 + \$250 + \$250 + \$250 = \$1000 (1) Calculation: 5% of \$10 500 = \$525 (1) Total payment = \$1000 (salary) + \$525 (commission) = \$1525 (1 – OFR applies) Ans = \$1525 (3 marks)	

Question	Answer		Marks
2(b)(i)	Exemplar and annotations		
	Marks		
	3 marks	Correct answer \$1525	Working and sign do not matter. \$
	2 marks	Correct calculation of commission based on total revenue that comes directly from the influencer in Feb (\$525) OR An incorrect answer with one mistake allowing OFR for final stage. OR An answer that misses out the commission (\$11 500 with working)	To award two marks, there must be • Two ✓ and a ✗ OR • One ✓, one ✗ and one OFR OR • Two OFR and a ✗
	1 mark	One of the following: • Correct formula • Correct calculation of total revenue that comes directly from the influencer in Feb (\$10 500). • Correct calculation of total salary for FEB (\$1000).	To award one mark, there must be: • One ✓ and two ✗
	0 marks	No creditable content.	To award zero marks, there must be a minimum of one ✗

Question	Answer	Marks								
2(b)(ii)	Explain <u>one</u> disadvantage to Kaia of using a commission payment method.	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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	0 marks No creditable response.		0 marks No creditable response.							
Responses may include:										
AO1 Knowledge and understanding										
Knowledge of a disadvantage of using commission K (max 1 mark), including										
- Increases business costs - Reduces profit/ profit margin - Difficult to predict / forecast - May lead to aggressive sales techniques - May cause anxiety/stress/demotivation (for the employee) - May prioritise short-term gains, over long-term business objectives - May be difficult to recruit new workers - May cause employees to compete with one another - Paid from revenue, not profit (may need to be paid even if PB does not make a profit)										
AO2 Application										
Explanation of a disadvantage of using commission payment method APP (max 1 mark), including:										
- Increases business costs – as the business increases revenue, commission also increases - Difficult to predict / forecast – which can mean that PB may not be able to calculate the break-even point - May lead to aggressive sales techniques – as salespeople push to increase their own income										

Question	Answer	Marks																		
2(b)(ii)	- May cause anxiety/stress (for the employee) – leading to lower motivation - May prioritise short-term gains, over long-term business objectives – as employees focus on increasing short term revenue and not profit margins - May be difficult to recruit new workers – because of the uncertainty of their likely income - May cause employees to compete with one another – and work towards their own utility, not the good of the business - Paid from revenue, not profit – so may need to be paid even if PB does not make a profit Context applied to PB APP (max 1 mark), including: 5% commission on direct sales - OFR from Q2(b)(i) - Social media influencer gets a salary as well (\$250 a week) - Use of data in chart 2.1 <table border="1"> <thead> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>A commission adds to PBs costs K which can reduce the profit available APP to relocate PB to larger premises APP.</td><td>3</td><td>A disadvantage identified and explained with context.</td></tr> <tr> <td>It may lead to competition between workers K which could lead to demotivated employees APP reducing the \$10 500 revenue from the influencer APP.</td><td>3</td><td>A disadvantage, which is explained and context used.</td></tr> <tr> <td>May be difficult to recruit new influencers K if 5% commission seems low. APP</td><td>2</td><td>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>Reduce profit K, and may demotivate the employees.</td><td>1</td><td>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>Paying a 5% commission means that for every \$1 of revenue the influencer sells, they get \$0.05.</td><td>0</td><td>There is no knowledge of a disadvantage of using commission.</td></tr> </tbody> </table> Accept all valid responses.	Exemplar and annotations	Mark	Rationale	A commission adds to PBs costs K which can reduce the profit available APP to relocate PB to larger premises APP .	3	A disadvantage identified and explained with context.	It may lead to competition between workers K which could lead to demotivated employees APP reducing the \$10 500 revenue from the influencer APP .	3	A disadvantage, which is explained and context used.	May be difficult to recruit new influencers K if 5% commission seems low. APP	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 K , 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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Question	Answer				Marks
2(c)	Analyse <u>one</u> advantage and <u>one</u> disadvantage to Kaia of using job production.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
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	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
Note: Annotate the first advantage in the left-hand margin and the first disadvantage in the right-hand margin.					

Question	Answer	Marks
2(c)	Responses may include: AO1 Knowledge and understanding Knowledge of an advantage of using job production K (max 1 mark), including: • High quality • High price • Flexibility • Customisation / customer satisfaction • All finished products are sold Knowledge of a disadvantage of using job production K (max 1 mark), including: • High production costs • Long lead time • Requires specialist equipment AO2 Application Application of an advantage or disadvantage to PB APP, including: • Kaia has a university degree in textile designs • Kaia thinks she has entrepreneurial qualities • Sole trader • Current objective to break even • Blankets personalised with a picture • Picture supplied by customer • Customers design their own blanket (customisable size and picture) • Many customers buy the blankets as gifts for special occasions (birthdays, holidays etc.) • Being promoted by a social media influencer • Use of data in Chart 2.1 AO3 Analysis Limited analysis of an advantage of job production AN – developed analysis DEV, including: • High quality: increases customer satisfaction and leads to sales – increases profit. • Customisation / customer satisfaction; likely to lead to increased sales – increased profit. • All finished products are sold; more likely to have costs lower than revenue – increased profitability.	

Question	Answer	Marks									
2(c)	Limited analysis of a disadvantage of job production AN – developed analysis DEV, including: • High production costs: may need to increase price to cover costs – less chance to break even and make a profit. • Long lead time; may irritate customers leading to bad reviews – lower sales and profit. • Requires specialist equipment; may need to purchase expensive capital equipment increasing costs – reducing profitability. Accept all valid responses. Exemplars and annotations <table> <tr> <th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr> <tr> <td>Higher prices K,</td><td>For individual blankets that are personalised with a picture APP.</td><td>This is likely to lead to higher revenue AN leading to higher profit DEV.</td></tr> <tr> <td>Takes longer to produce K.</td><td>Which may be a issue if customers are purchasing for a special occasion, like a birthday APP,</td><td>So, customers may go to a different business, reducing PBs revenue AN and therefore decrease the profit DEV.</td></tr> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	Higher prices K ,	For individual blankets that are personalised with a picture APP .	This is likely to lead to higher revenue AN leading to higher profit DEV .	Takes longer to produce K .	Which may be a issue if customers are purchasing for a special occasion, like a birthday APP ,	So, customers may go to a different business, reducing PBs revenue AN and therefore decrease the profit DEV .	
AO1 Knowledge	AO2 Application	AO3 Analysis									
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Question	Answer				Marks
2(d)	Evaluate the most likely reason for Kaia's objectives to change over the next five years.				12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
	3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Question	Answer	Marks
2(d)	Responses may include: AO1 Knowledge and understanding Knowledge of why business objectives may change over time K (max 1 mark), including: • As the business grows • If the previous objective has been met • As the business declines • As the business maintains • As the market changes • As competitors act / react • When aims / vision / mission changes • As the business environment changes (not required at AS level, but rewarded) – SLEPT AO2 Application Application to PB APP (max 2 marks), including: • Kaia has a university degree in textile designs • Kaia thinks she has entrepreneurial qualities • Sole trader • Current objective to break even • Blankets personalised with a picture • Picture supplied by customer • Customers design their own blanket (customisable size and picture) • Many customers buy the blankets as gifts for special occasions (birthdays, holidays etc.) • Being promoted by a social media influencer • Use of data in Chart 2.1 • Thinking of relocating PB AO3 Analysis Limited analysis of how the objectives change AN – developed analysis DEV, including: • As the business grows; objectives may change to profit maximisation – so that the owners can start to receive an income for their risk. • 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.	

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Question	Answer	Marks
2(d)	- 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. - 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. - 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. - 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. - 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. AO4 Evaluation Limited valuation of the most likely reason why objectives may change EVAL – developed E – developed in context EE , including: - A judgement of the most likely reason for Kaia's objectives to change over the next five years. - 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. - 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? - To what extent is PB in a growing or declining market and how many of her customers choose to repeat purchase? - 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? - A judgement about likeliness of the business objectives needing to change over five years. Accept all valid responses.	

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Question	Answer			Marks
2(d)	Exemplars for awarding evaluation			
	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (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.	

Cambridge International AS & A Level

BUSINESS**9609/23**

Paper 2 Business Concepts 2

May/June 2025**MARK SCHEME**Maximum Mark: 60

Published

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

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

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

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **32** printed pages.

PUBLISHED**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 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.

PUBLISHED**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.

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Annotation	Meaning
SEEN	To show a page/section has been seen/read.
NAQ	When the response is not focussed on answering the question.
REP	The repetition of a previous point in a response or candidate is copying the case study/data.
OFR	The own figure rule applies – acts as a mark/tick.
K	When AO1 has been awarded. Number of Ks should match the mark awarded.
APP	When AO2 has been awarded. Number of APPs should match the mark awarded.
AN	When AO3 at Level 1 has been awarded.
DEV	When AO3 at Level 2 has been awarded.
EVAL	When AO4 at Level 1 has been awarded.
E	When AO4 at Level 2 has been awarded.
EE	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)	Identify <u>one</u> feature of a co-operative. Indicative content Identification of a feature ✓ may include: Responses may include: • Owned/controlled by members • Shared decision making • Shared profits/losses • Run for the mutual benefit of members • All members contribute/participate • Mutual objectives Accept all valid responses.	1

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Question	Answer	Marks						
1(a)(ii)	Explain the term <i>traditional manager functions</i>.	3						
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks					
			2 marks Developed application of one relevant point to a business context.					
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.					
	Indicative content							
	Responses may include:							
	AO1 Knowledge and understanding							
	Knowledge of traditional manager functions K may include (max 1 mark):							
	• Planning • Organising • Directing • Controlling							
AO2 Application								
Explanation of traditional manager functions APP may include (max 1 mark):								
• Planning – involves setting objectives and determining the best course of action to achieve them. • Organising – the process of arranging resources and tasks to achieve the organisation's goals. • Directing – leading and motivating employees to achieve organisational goals • Controlling – the process of monitoring and evaluating performance to ensure that organisational goals are met.								
Context applied to traditional manager functions APP , including (max 1 mark):								
• Without these management functions businesses may not survive/thrive/achieve success • Examples of businesses/types of businesses/types of managers.								
Accept all valid responses.								

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Question	Answer	Marks
1(b)(i)	Refer to Table 1.1. Calculate the labour productivity for CT in 2024. Indicative content. Formula for productivity: Output per person per hour Productivity = output / total labour hours (1) Output = 54 000 Labour hours = 12×1800 (1) = 21 600 (1) $54\,000 / 21\,600$ (2) = 2.5 OR $(54\,000 / 1800) / 12$ (2) = 2.5 OR $(54\,000 / 12) / 1800$ (2) = 2.5 Answer = 2.5 units or 2.5 (3) OR Formula for productivity: Productivity = output in a given time period/total workers (1) $54\,000 / 12$ (1) = 4500 Answer = 4500 (3) Note: Correct Formula + $54\,000 / 1800 = 30$ (2), no formula 1 mark	3

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Question	Answer	Marks								
1(b)(ii)	Explain <u>one</u> advantage to CT of labour-intensive operations. <table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table> Responses may include: AO1 Knowledge and understanding Knowledge of an advantage of labour-intensive operations. K: • customised products easier to make • less capital investment required • employees can use own initiative • employees can offer new ideas • flexibility/adaptability • high quality products • employees can build up relationship with customers • sustainability	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.	3
AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks									
	2 marks Developed application of one relevant point to a business context.									
1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.									
0 marks No creditable response.	0 marks No creditable response.									

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Question	Answer	Marks
1(b)(ii)	AO2 Application Explanation of an advantage of labour-intensive operations APP (max 1 mark), including: • customised products easier to make – so can satisfy customer requirements • less capital investment required – lower machinery costs/set-up costs • employees can use own initiative – so employees can problem solve • employees can offer new ideas – help increase growth/demand • flexibility/adaptability – firms can more easily adjust the number of employees/reassign tasks • higher quality products – more attention to detail/quality control • employees can build up relationship with customers – retain customer loyalty • sustainability – less emissions Context applied to CT APP (max 1 mark), including: • Use of answer to 1bi (OFR) • Employee co-operative • Hand-made products • Competitive market • Low level of demand • Aim to produce high quality toys • Ethical/eco-friendly materials Accept all valid responses.	3

Question	Answer				Marks
1(c)	Analyse <u>two</u> methods of primary market research CT could use to identify customer wants.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
Annotate the first method in the left-hand margin and the second in the right-hand marking.					

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Question	Answer	Marks
1(c)	Responses may include: AO1 Knowledge and understanding Knowledge of the methods of primary research used to identify customer wants. • surveys • questionnaires • internet forums • tracking online behaviour/website analytics/e-commerce data • product sampling • focus groups • interviews • observations • social media Note: Qualitative/quantitative are types of primary research not methods AO2 Application Max one APP for application in the first method and max one APP for application in the second method. Application of knowledge of a method of primary research to CT (max 2 APPs), including • CT could use own website/social media to survey customers • Ask for customer ratings/feedback on website • Get feedback at trade fairs / exhibitions • Use loyal customer base e.g. face to face interviews • Ask the independent retailers on trends/best-selling items/how children interact with the toys	8

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Question	Answer	Marks
1(c)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis or a two-sided analysis. • Surveys – help gather information on customer preferences, satisfaction levels, and specific needs – to develop products • Questionnaires – can be structured, semi-structured, or unstructured – allowing for detailed feedback • Internet forums/tracking online behaviour/website analytics/e-commerce data – helps understand customer preferences and purchasing patterns – so can satisfy those wants/needs. • Product sampling – immediate feedback from customers about the product's feel, quality, and overall appeal. • Focus groups – provides qualitative insights into customer attitudes, motivations, and perceptions– but are toys suitable for focus group of adults? • Interviews – can be structured, semi-structured, or unstructured, allowing for detailed feedback • Observations – helps identify usage patterns – and areas for improvement • Social media – provides real-time insights into customer opinions and trends – current/up-to-date opinions • Primary research methods – could help identify likely customer wants – but expensive • Niche markets have low demand – less secondary information available • Loyal customers – more likely to provide answers – may give biased answers Accept all valid responses.	8

Question	Answer	Marks
1(d)	Responses may include: AO1 Knowledge and understanding <i>Knowledge of flow production and/or labour-intensive (handmade) (max 2 Ks), including:</i> Flow production: • continuous/mass production • involves the continuous movement of items through the production process • usually on an assembly line/using repetitive process • capital intensive • fewer workers required/uses less-skilled labour • standardised products Labour-intensive/handmade production: • artisanal or craft production • involves the creation of products by hand • minimal use of machinery • requires skilled labour AO2 Application <i>Limited application APP applies knowledge of production method to CT once. Developed application APP + APP applies knowledge of production method to CT twice</i> • Reputation for ethical products • Long lead time • Requires skilled workers • High costs of production • 4500 per year per worker/2.5 units produced per worker per hour • Quality products	12

Question	Answer	Marks
1(d)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis • Change of working practices –De-skilling • Long term futures assured – can increase productivity/reduce lead time • Business expands – increase profitability • Increased ability to compete – through lower costs/could lower prices • Lose USP – customers go to other businesses • Low level of demand – change will not impact this unless lower prices • Reduce costs – lower skilled labour required/paid less • Requires investment – finance might be difficult to source • Lower quality – less attention to detail • Some members may be unhappy with the change – could cause conflict AO4 Evaluation <i>Limited evaluation</i> EVAL – unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> E – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context. Whether CT should use flow production depends on several factors: • Scale of production – If CT needs to produce large quantities of standardised products, flow production is highly beneficial due to its efficiency and economies of scale. • Investment capacity – Can CT afford the high initial setup costs and ongoing maintenance of automated systems? • Product type – Flow production is ideal for products that do not require customisation and can be produced in large volumes, which is not CT's current situation. • Market demand – If there is consistent high demand for the product, flow production can meet this demand effectively, but CT faces low demand • Member considerations – CT should consider the impact on member motivation and find ways to mitigate the negative effects of repetitive tasks.	12

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Question	Answer	Marks
1(d)	• Market competition – CT will face higher competition than in a niche market • Expensive – Will require investment in capital/machinery which CT may not have the finance to do • Costs increase – Initial costs very high but in the long-run could lower unit costs • Brand reputation – Might damage the brand reputation for ethical, high quality toys • Loyal customers – Might lose loyal customer base including the independent retailers • A recommendation whether CT should change to flow production In conclusion, flow production is advantageous for large-scale, standardised production with high demand and sufficient investment capacity. However, CT must weigh these benefits against the potential drawbacks, such as high setup costs and low member motivation, to determine if it aligns with their specific needs and goals. Accept all valid responses.	12

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Question	Answer	Marks
2(a)(i)	Identify <u>one</u> feature of a partnership. Indicative content Identification of a feature of a partnership ✓ may include: • Two or more people join but the exact number can vary depending on the type of partnership and legal regulations • Unlimited liability • Share profits / losses / risks • Must have mutual trust and confidence in each other • Formalised through a legal agreement • Decisions usually made collaboratively / each partner has a say in the business operations	1

Question	Answer	Marks								
2(a)(ii)	Explain the term <i>working capital</i>.	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Responses may include:										
AO1 Knowledge and understanding Knowledge of working capital K (max 1 mark), may include:										
• Financial measure • Difference between current assets and current liabilities • A measure of a company's liquidity and short-term financial health • Day-to-day finance required										
AO2 Application Explanation of working capital APP (max 1 mark), including:										
• ensures firm can meet short-term liabilities • indicates liquidity • assesses how efficiently a company is using its resources to generate revenue • can be used as a source of finance • Context applied to working capital APP (max 1 mark), including: • companies with positive working capital can invest in growth opportunities and expansion • example/calculation										
Accept all valid responses.										

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Question	Answer	Marks
2(b)(i)	Refer to Table 2.1. Calculate FF's profit in 2024. Indicative content • Formula: price = revenue – (direct costs + fixed costs) (1) • Calculation of total costs \$50 000 + \$30 000 = \$80 000 (1) • Calculation of profit = \$120 000 – \$80 000 (2) = \$40 000 (3) 40 (with working) = 2 Answer = \$40 000 (3)	3

Question	Answer	Marks								
2(b)(ii)	Explain <u>one</u> factor influencing the supply of FF's products.	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Responses may include:										
AO1 Knowledge and understanding										
Knowledge of a factor influencing supply  may include:										
• Price of the product • Production costs • Technology/capacity • Number of suppliers • Government policies • Season/harvest/weather conditions • Prices of substitutes/complements • Future expectations • Productivity of workers										
AO2 Application										
Explanation of a factor influencing supply  (max 1 mark), including										
• Price of the product – When the price of a product increases, producers are generally willing to supply more because they can achieve higher revenue/vice-versa • Production costs – A decrease in production costs (e.g., lower wages, cheaper raw materials) can increase supply as it becomes more profitable to produce/opposite for an increase in costs										

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Question	Answer	Marks
2(b)(ii)	• Technology/capacity – Improvements in technology can enhance production efficiency, leading to an increase in supply/availability of spare capacity • Number of suppliers – An increase/decrease in the number of suppliers in the market can lead to a higher/lower overall supply • Government policies – effect of subsidies/taxes • Season/harvest/weather conditions – good harvest/weather conditions can increase the supply of agricultural products. Poor harvest/weather conditions can reduce supply • Prices/availability of substitutes/complements – If the price of a substitute good rises, producers might switch to producing that good, reducing the supply of the original product. An increase in the supply of a complementary good can also increase the supply of the original product • Future expectations – If producers expect higher prices in the future, they might reduce current supply to sell more later at higher prices/if lower prices are expected, producers might increase current supply to sell more before prices drop • Productivity of workers – Increased worker productivity can lead to higher supply as more goods are produced in the same amount of time/decreased productivity can reduce supply Context applied to FF's supply of products APP (max 1 mark) including: • Low level of supply • Can only grow a limited number of crops • Seasonal produce • Yield and quality affected by weather conditions • Labour intensive • Competitive market • Customers require fresh, varied and consistent products Accept all valid responses.	3

Question	Answer				Marks
2(c)	Analyse <u>two</u> benefits to FF of product differentiation.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

Question	Answer	Marks
2(c)	<i>Annotate the first benefit in the left-hand margin and the second in the right-hand marking.</i> AO1 Knowledge and understanding Knowledge of benefits of product differentiation (max 2 Ks), may include: • Greater choice • Responsive to customer wants • Meets customer requirements • Reduce the impact of seasonal products. • Create a strong brand image • Spread risk • Increase price/revenue/profit/added value • Expand customer base/loyalty • Improve competitiveness AO2 Application Max one APP for application in one benefit and max two APP for application in two benefits • Loyal customers • Customers want fresh and varied products throughout the year • FF a reliable brand • Appeals to customers who want natural products • Customers appreciate quality, flavour and nutrition of products • High demand • Competitive market AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV candidate shows two or more links in the chain of analysis or a two-sided analysis. • FF can expand market share – differentiation can attract a specific segment of the market, increasing the FF's overall market share/help it to grow • Seasonal products – could ensure year around production • Increase finance – able to re-invest in the business • Competitive Advantage – helps create a unique selling proposition, making the product stand out from competitors • Brand loyalty – highlighting unique features, FF can build brand loyalty and encourage repeat purchases	8

PUBLISHED

Question	Answer	Marks
2(c)	• Price flexibility – differentiated products can often command higher prices because consumers perceive them as offering greater value • Reduced price sensitivity – customers may be less sensitive to price changes if they believe the product offers unique benefits • Niche markets – allows FF to target niche markets with specific needs and preferences • Customer satisfaction – meet specific customer needs, leading to higher customer satisfaction • Brand Identity – strong differentiation helps in building a distinct brand identity that is hard for competitors to copy Accept all valid responses.	8

PUBLISHED

Question	Answer	Marks
2(d)	Indicative content AO1 Knowledge and understanding <i>Knowledge of business growth/methods of business growth/objectives (max 2 Ks), including:</i> • The process of improving some measure of an enterprise's success. • Can be achieved through various strategies • The increase in the size, revenue, market share, or profitability of a business over time. • Can be measured in different ways • External/internal growth • Organic growth • Mergers / joint ventures • Strategic alliance Objectives • Business objectives are specific, measurable goals that an organisation aims to achieve within a certain timeframe • Provide direction and a clear focus for the company's efforts and resources. • Guide decision-making • Help allocate resources effectively • Used to measure the success of various initiatives. AO2 Application <i>Limited application APP applies knowledge of growth/methods of business growth to FF once. Developed application APP + APP applies knowledge of growth/methods of business growth to FF twice</i> • Limited production capacity • High level of demand • Labour-intensive • Ethical approach – organic methods / renewable energy sources • Highly competitive market • Impacted by weather conditions • Affected by pests, diseases and natural disasters Expectations of customers for fresh, varied and consistent products/quality, flavour and nutrition	12

Question	Answer	Marks
2(d)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis. - allows a business to increase profits – reduce costs by using external resources - can improve quality, efficiency or productivity – using experienced providers - reduce risks or liabilities – share with other firms - compromise the quality and consistency of FF's products – lose customers - expose FF to more risks and uncertainties – such as reliability, delivery delays, contractual disputes etc - increase costs – may not be able to afford internal growth - increased market share – growth can help FF capture a larger share of the market, enhancing its competitive position - economies of scale – as businesses grow, they can achieve economies of scale, reducing the cost per unit of production and increasing profitability - diversification – growth often allows businesses to diversify their product lines or enter new markets, spreading risk and creating new sources of revenue - resource constraints – rapid growth can strain an organisation's resources, including finances, personnel, and infrastructure - quality control – maintaining product or service quality can be more challenging as the business grows AO4 Evaluation <i>Limited evaluation</i> EVAL – unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> E – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context. - A recommendation whether growth is a suitable objective - Elements that the recommendation could depend upon, including such as losing control over the quality and consistency of the products, compromising on the natural / organic approach - A consideration of the implications for cost and ability to attract other firms - Weighing up of the factors and their relative influence on growth. - Depends upon the type of growth/how growth is achieved. - FF should evaluate their strategic goals, market conditions, and internal capabilities to determine if growth is a suitable objective. Note: Only accept judgements about growth but reward alternative objectives if growth discussed. Accept all valid responses.	12



Cambridge International AS & A Level

BUSINESS

9609/11

Paper 1 Business Concepts 1

May/June 2025

1 hour 15 minutes



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
Section A: answer **all** questions.
Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

- 1 (a) Define the term *job enrichment*. [2]
 (b) Explain **one** disadvantage to a business of using empowerment to motivate employees. [3]
- 2 (a) Define the term *price discrimination*. [2]
 (b) Explain **one** disadvantage to a business of using competitive pricing. [3]
- 3 (a) Define the term *capital intensive operations*. [2]
 (b) Explain **one** limitation to a business of labour intensive operations. [3]
- 4 Analyse **one** way a business might fail as a consequence of lack of finance. [5]

Section B

Answer **one** question only.

EITHER

- 5 (a) Analyse **two** ways business enterprise can help the development of a country. [8]
 (b) 'Intrapreneurship is the most important factor that will ensure the success of a computer entertainment business.'
 Evaluate this view. [12]

OR

- 6 (a) Analyse **two** ways international markets may present different challenges to a business than national markets. [8]
 (b) Evaluate whether customer relationship marketing (CRM) is suitable for all small businesses. [12]

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Cambridge International AS & A Level

BUSINESS

9609/12

Paper 1 Business Concepts 1

May/June 2025

1 hour 15 minutes



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INFORMATION

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This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

- 1 (a) Define the term *mission statement*. [2]
 (b) Explain **one** disadvantage to a business of having corporate social responsibility (CSR) as a business objective. [3]
- 2 (a) Define the term *involuntary redundancy*. [2]
 (b) Explain **one** way a business could use employee development to encourage multi-skilling. [3]
- 3 (a) Define the term *inventory re-order level*. [2]
 (b) Explain **one** advantage to a business of holding buffer inventory. [3]
- 4 Analyse **one** reason why a business may use cost-based pricing. [5]

Section B

Answer **one** question only.

EITHER

- 5 (a) Analyse **two** disadvantages to employees of an autocratic management style. [8]
 (b) 'The contribution of managers to business performance in a hospital is less important than that of medical employees.'
 Evaluate this view. [12]

OR

- 6 (a) Analyse **two** advantages to a business of using sale and leaseback of non-current assets as a source of finance. [8]
 (b) 'The use of budgets is the most effective way to monitor the performance of a hotel.'
 Evaluate this view. [12]

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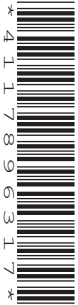
BUSINESS

9609/13

Paper 1 Business Concepts 1

May/June 2025

1 hour 15 minutes



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
Section A: answer **all** questions.
Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

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This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

- 1 (a) Define the term *motivation*. [2]
 (b) Explain **one** benefit to a business of motivated employees. [3]
- 2 (a) Define the term *incremental budgets*. [2]
 (b) Explain **one** advantage to a business of using variance analysis. [3]
- 3 (a) Define the term *Just in Time (JIT)*. [2]
 (b) Explain **one** disadvantage to a business of using Just in Time (JIT). [3]
- 4 Analyse **one** advantage to a business of using mass marketing. [5]

Section B

Answer **one** question only.

EITHER

- 5 (a) Analyse **two** benefits to a business of using break-even analysis. [8]
 (b) Evaluate whether cash flow forecasting is the most important activity for the success of a fashion clothing manufacturer. [12]

OR

- 6 (a) Analyse **two** advantages to a business of making ethical decisions. [8]
 (b) 'Employees are the most important stakeholder group in a primary sector oil and gas business.'
 Evaluate this view. [12]

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Cambridge International AS & A Level

BUSINESS

9609/21

Paper 2 Business Concepts 2

May/June 2025

1 hour 30 minutes



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INSTRUCTIONS

- Answer **all** questions.
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INFORMATION

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [].

This document has **4** pages. Any blank pages are indicated.

1 Natural Shampoos (NS)

NS is a private limited company set up by Saira and Chantal as a social enterprise. NS sells natural hair care products and focuses on customer (market) orientation. The main aims of Saira and Chantal include donating to local charities and improving gender equality in the workplace.

NS began by selling its products to small, independent businesses in country H. NS expanded its range slowly based on customer feedback, specific requests on its blog, and sales data.

NS explored additional finance opportunities required for expansion. NS approached John, who owns manufacturing facilities in country H and has significant marketing experience. He invested into NS in return for ownership of one third of the business. John's main aim is to increase long-term profits in order to maximise the return on his investment.

In the five years since John's investment, NS has become the market leader in country H for natural hair care products. NS products are now sold in major cosmetic retailers.

NS recently analysed its output in 2024 (see Table 1.1).

Table 1.1 NS output data for 2024

	Units
Actual output level	145 000
Capacity	150 000

Saira and Chantal have decided to employ a Marketing Manager for NS. Fig 1.2 shows an extract from the job advertisement.

Marketing Manager
• Experience of growing brand awareness and using online channels of distribution. • Using budgets to monitor the performance of marketing campaigns. • Developing and maintaining relationships with external stakeholders.

Fig 1.2 Extract from job advertisement for NS's new Marketing Manager

- (a) (i) Identify **one** feature of a private limited company. [1]
- (ii) Explain the term *customer (market) orientation*. [3]
- (b) (i) Refer to Table 1.1. Calculate NS's capacity utilisation in 2024. [3]
- (ii) Explain **one** possible disadvantage to NS of high capacity utilisation. [3]
- (c) Analyse **two** selection methods that NS could use to choose a new Marketing Manager. [8]
- (d) Evaluate the most likely reason for conflict to arise between the owners of NS. [12]

2 Premium Homes (PH)

PH owns student rental accommodation in all the major cities in country Y. PH used demographic segmentation in its market research. This research identified that university students would pay a premium for high specification rental accommodation.

PH has specialist teams focused on sales, maintenance, customer service and finance. There is little opportunity for internal promotion. PH pays low salaries, however, it offers profit sharing to motivate its 150 employees. This has been effective as PH has had low labour turnover.

In the last two years, profit levels have fallen by 75%. In 2024, 45 employees left PH. Complaints about maintenance and customer service have increased due to the lack of experienced employees in PH.

The Finance Director is reviewing PH's existing sources of finance, shown in Fig 2.1.

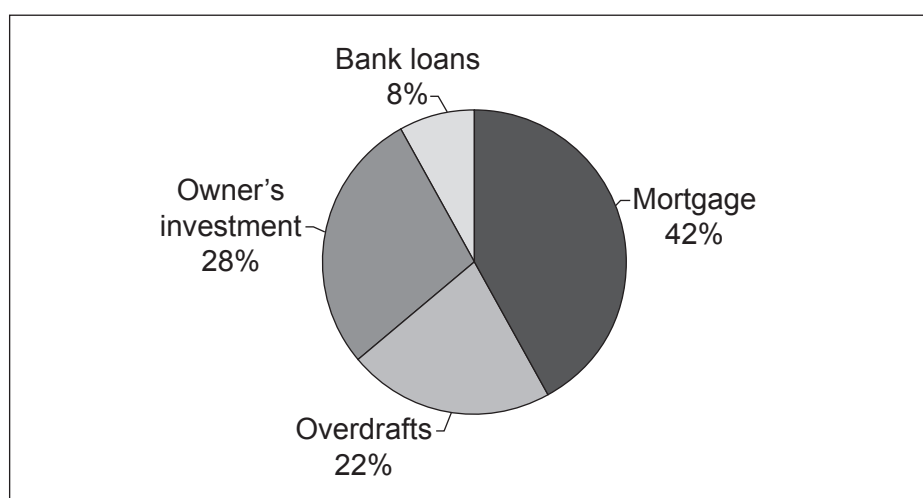


Fig 2.1 PH's sources of finance

Frank, the Operations Director, wants to improve the sustainability of PH's operations. He plans to:

- stop renting out accommodation in some lower-income cities, and sell these buildings
- upgrade accommodation in high-income cities
- reduce the size of the workforce.

- (a) (i) Identify **one** way in which business size can be measured. [1]
- (ii) Explain the term *demographic segmentation*. [3]
- (b) (i) Refer to lines 6–8. Calculate PH's labour turnover in 2024. [3]
- (ii) Explain **one** way in which PH could use Maslow's Hierarchy of Needs. [3]
- (c) Analyse **one** advantage and **one** disadvantage to PH of using an overdraft as a source of finance. [8]
- (d) Evaluate whether Frank's plan will improve the sustainability of PH's operations. [12]

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BUSINESS

9609/22

Paper 2 Business Concepts 2

May/June 2025

1 hour 30 minutes



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INFORMATION

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This document has **4** pages. Any blank pages are indicated.

1 Town Trucks (TT)

TT is a private limited company in country J. TT has contracts to deliver products to secondary, tertiary and quaternary sector businesses.

QZ is one of the largest manufacturers in country J and plans to outsource its supply chain management. A contract has been agreed between TT and QZ based on the following cost and revenue data (see Table 1.1). TT's Sales Manager has forecast that TT will make 5 000 deliveries with the new contract.

5

Table 1.1 Cost and revenue forecast for the QZ contract

	\$
Direct costs (average per delivery)	5
Total indirect costs	9 000
Total revenue	40 000

10

TT employs 120 drivers. The majority of these drivers are white men aged between 40 and 60. A national newspaper has recently criticised the truck industry in country J for not having diversity and equality in the workplace.

Klide, the Marketing Manager, has been set an objective to increase TT's revenue. He has decided to target small online retailers. TT will pick up individual products from the small online retailers and deliver them to households. This would require a new fleet of smaller trucks but has the potential to increase TT's revenue. Klide plans to use digital promotion to target these small online retailers.

15

- (a) (i) Identify **one** business activity within the quaternary sector. [1]
- (ii) Explain the term *supply chain management*. [3]
- (b) (i) Refer to Table 1.1 and other information. Calculate TT's forecast total profit from the QZ contract. [3]
- (ii) Explain **one** reason why TT needs accurate cost information. [3]
- (c) Analyse **two** advantages to TT of improving diversity and equality in the workplace. [8]
- (d) Evaluate the usefulness of digital promotion to TT when targeting small online retailers. [12]

2 Personalised Blankets (PB)

Kaia left university with a degree in textile design. Using her entrepreneurial qualities, Kaia set up PB as a sole trader. Her current objective is to break even.

Kaia uses job production to make blankets which are personalised with a picture. Each customer logs into the PB website and chooses the size of blanket. The customer then uploads a picture that they want printed onto the blanket.

5

Many of Kaia's customers buy the blankets as gifts for special occasions.

Kaia has employed a social media influencer to promote her blankets. The influencer will be paid a salary of \$250 a week and a 5% commission on revenue that comes directly from the influencer. Fig 2.1 shows the revenue that came directly from the social media influencer in February.

10

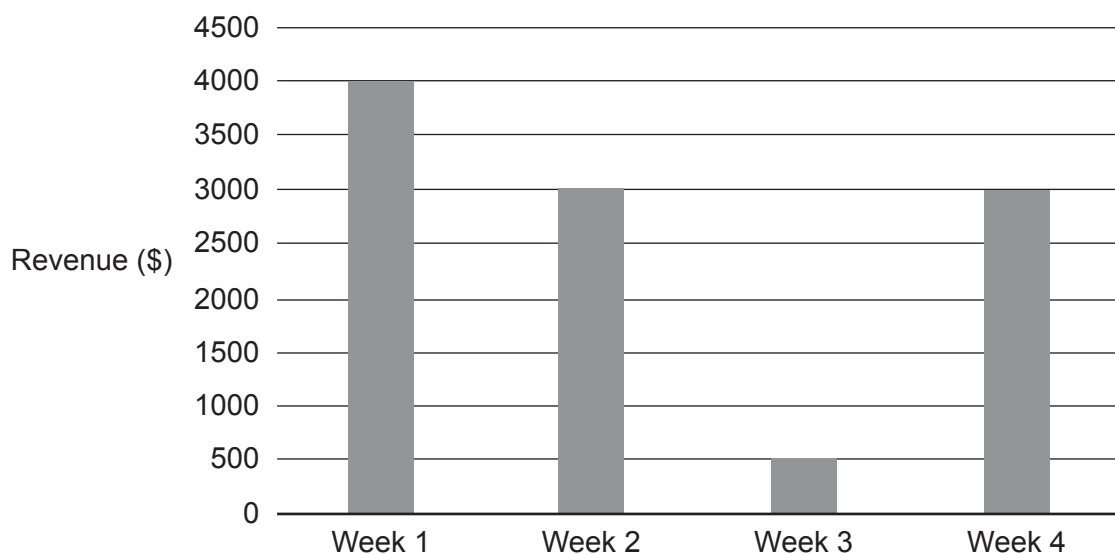


Fig. 2.1 Revenue directly from the social media influencer in February

Kaia would like to relocate PB to larger premises. She is applying for external sources of finance, and she has written a five-year business plan to support her applications.

- (a) (i) Identify **one** external source of finance. [1]
- (ii) Explain the term *business plan*. [3]
- (b) (i) Refer to Fig. 2.1 and other information. Calculate the total payment to the social media influencer in February. [3]
- (ii) Explain **one** disadvantage to Kaia of using a commission payment method. [3]
- (c) Analyse **one** advantage and **one** disadvantage to Kaia of using job production. [8]
- (d) Evaluate the most likely reason for Kaia's objectives to change over the next five years. [12]

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Cambridge International AS & A Level

BUSINESS

9609/23

Paper 2 Business Concepts 2

May/June 2025

1 hour 30 minutes



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INFORMATION

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This document has **4** pages. Any blank pages are indicated.

1 Crafty Toys (CT)

CT is a co-operative that produces and sells a range of wooden toys, such as puzzles, cars and dolls. The co-operative was formed in 2020 by a group of 12 people who share a passion for making toys. They wanted to work together to create quality products that would appeal to children and parents. No one person takes on the role of manager; instead, they share the traditional manager functions between them.

5

CT operates from a large workshop in a rural area of country Z, making toys using labour-intensive techniques. CT uses locally sourced wood that is certified as eco-friendly. CT also uses natural paints and finishes that are safe and non-toxic for children. Table 1.1 shows CT's output in 2024.

Table 1.1 Output data for CT in 2024

10

Number of people	Average hours worked per person per year	Output
12	1800	54 000 units

CT sells its products online through its own website and social media platforms, as well as through some independent retailers who specialise in ethical products. The co-operative also attends various trade fairs and exhibitions to showcase its products and network with potential customers and suppliers. CT has never researched customer wants.

15

CT faces some challenges in its current operations. These challenges include:

- high costs of production
- a long lead time
- a requirement for skilled workers.

20

CT is considering changing to flow production to overcome these challenges.

- (a) (i) Identify **one** feature of a co-operative. [1]
- (ii) Explain the term *traditional manager functions*. [3]
- (b) (i) Refer to Table 1.1. Calculate the labour productivity for CT in 2024. [3]
- (ii) Explain **one** advantage to CT of labour-intensive operations. [3]
- (c) Analyse **two** methods of primary market research that CT could use to identify customer wants. [8]
- (d) Evaluate whether CT should change to flow production. [12]

2 Fresh Farm (FF)

FF is a partnership in country Q that grows a range of fruits and vegetables, such as apples, carrots and potatoes. FF also provides an advisory service to other farmers. The partnership was established in 2018 by three friends, Amrit, Harry and Sally, who provided the working capital. Their aim was to produce healthy and tasty food for themselves and others.

FF grows crops using natural methods and practices. The produce is free from chemicals and pesticides. It only uses renewable energy sources, such as solar panels and wind turbines. It harvests the crops by hand or using simple machines that minimise damage or waste, but this is labour intensive.

FF sells its products directly to consumers through its own farm shop and online delivery service. It also sells to local restaurants. Table 2.1 shows information on FF's revenue and costs in 2024.

Table 2.1 Extract from FF's financial data for 2024

	\$000
Revenue	120
Direct costs	50
Indirect costs	30

FF has gained a loyal customer base who appreciate the quality, flavour and nutrition of its products. However, FF also faces some challenges and risks in the competitive and uncertain food market. FF has limited capacity in producing crops. Weather conditions affect its yield and quality. It also must deal with pests, diseases and natural disasters that could damage or destroy its crops.

Another challenge that FF faces is the high level of demand for its products in the market. The partnership must meet the expectations and requirements of its customers who want fresh, varied and consistent products throughout the year.

- (a) (i) Identify **one** feature of a partnership. [1]
- (ii) Explain the term *working capital*. [3]
- (b) (i) Refer to Table 2.1. Calculate FF's profit in 2024. [3]
- (ii) Explain **one** factor influencing the supply of FF's products. [3]
- (c) Analyse **two** benefits to FF of product differentiation. [8]
- (d) Evaluate whether business growth is a suitable objective for FF. [12]

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Cambridge International AS & A Level

BUSINESS**9609/11**

Paper 1 Short Answer/Essay

October/November 2024**MARK SCHEME**Maximum Mark: 40

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 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **29** printed pages.

PUBLISHED**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 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.

PUBLISHED**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).

PUBLISHED**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.

PUBLISHED**9609 Business Studies - Paper 1 Annotations**

Annotation	Description	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
	Application	Indicates where application is made to an appropriate business context.
	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
	Evaluation	Indicates where the answer has demonstrated evaluation - (Section B Part (b) questions only).
	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
	Too vague	Used when parts of the answer are considered to be too vague.
	Noted but no credit given	Indicates that content has been recognised but not rewarded.
	Repetition	Indicates where content has been repeated.
	Level 1	Indicates a Level 1 point is made.

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Annotation	Description	Use
	Level 2	Indicates a Level 2 point is made.
	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	Used to view PE comments on Practice Scripts only – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

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.

Mark Grids for Section A**Used for Q1(a), Q2(a) and Q3(a)**

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	2	Indicated by 2 ✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	1	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	0	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of one relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of one relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	1 mark Limited application of one relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	0 marks No creditable response.

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Question	Answer	Marks
1(a)	Define the term <i>zero budgeting</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding of the term <i>zero budgeting</i> is worth 2 marks. • budgets are automatically set to zero and budget holders must argue their case to receive any finance/funds (2) Partial understanding of the term <i>zero budgeting</i> is worth 1 mark. • budgets are set to zero (1) • budgets set without consideration of historical data (1) • potential costs evaluated from 0 each year (1) Accept all valid responses.	2

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Question	Answer	Marks
1(b)	Explain <u>one</u> cause of a favourable variance. Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one cause of a favourable variance • income higher than expected • increase in demand/sales • loss of competition • effective promotion • costs less than expected/decreased spending • profit higher than expected AO2 Application 2 marks for developed application/explanation of the cause given 1 mark for limited application/explanation of the cause given • actual sales <u>revenue</u> higher than budgeted sales revenue - economic boom leads to more sales than expected • advertisements increase sales and sales revenue is higher than budgeted • actual wages less than budgeted wages - wage rises lower than expected/less staff employed/less hours worked • lower material costs – motivated workers making less mistakes/less wastage • produced less, therefore spent less money on raw materials and labour Accept all valid responses.	3

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Question	Answer	Marks
2(a)	Define the term <i>sampling</i>. Indicative content Note: <i>do not accept test marketing as a correct answer to this question.</i> Responses may include: AO1 Knowledge and understanding Clear understanding of the term <i>sampling</i> is worth 2 marks. • selecting a group of people/customers to represent the population/customer base/target market as a whole (2) Partial understanding of the term <i>sampling</i> is worth 1 mark. • choosing a group of people (1) • form of market research (1) Accept all valid responses.	2

Question	Answer	Marks
2(b)	Explain <u>one</u> method of interpreting quantitative market research data. Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one method of interpreting quantitative market research data. • tables • charts – bar, pie • graphs – line • trend analysis/moving averages • arithmetic mean, mode and median • index numbers AO2 Application 2 marks for developed application/explanation of one method. 1 mark for limited application/explanation of one method. • direct comparison of numerical information in table with columns and rows – could use a spreadsheet • use charts and/or graphs to represent the information presented in a table – easy to read/analyse • compare size of segments in pie charts or heights of bars comparing actual figures collected • plot data on a graph and analyse change in trend over time/moving averages • percentage or actual changes shown over time, possibly with a forecast based on the data • calculate average/most frequent/middle of a set of results - allows focus on a more realistic figure than considering extremes • set a base year as the start of analysis and compare changes over time using index numbers Accept all valid responses.	3

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Question	Answer	Marks
3(a)	Define the term <i>résumé</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding of the term <i>résumé</i> is worth 2 marks. - document/form/statement/template which summarises applicant's relevant job experience/achievements, education/qualifications and training (2) Partial understanding of the term <i>résumé</i> is worth 1 mark. - Similar/separate to a CV (1) Accept all valid responses.	2

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Question	Answer	Marks
3(b)	Explain <u>one</u> reason why a business may produce a workforce plan. Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one reason why a business may produce a workforce plan. • planning for future labour requirements • help with budgeting • preparing for changes in external environment • predicts changes in current labour and skills needed AO2 Application 2 marks for developed application/explanation of one reason 1 mark for limited application/explanation of one reason • business can plan for redundancies, retirements, maternity/paternity leave, expansion of business, labour turnover • allows changes to workforce to be budgeted for – recruitment, training, wages • ensuring that they have the right employees in terms of numbers, work locations and skills • helps businesses to deal with changes (such as the impact of new technology or in consumers' tastes) • help businesses to prepare for changes in the workforce, such as the introduction of new production-line machinery • enabling businesses to meet their organisational objectives Accept all valid responses.	3

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Question	Answer	Marks
4	Analyse <u>one</u> benefit to a business of improving capacity utilisation. <i>Note: no marks can be awarded if a relevant benefit is not given</i> Indicative content <i>NOTE: some candidates have interpreted improving capacity utilisation as preventing capacity shortages or reducing long-term excess capacity. This leads to answers that focus on saving costs. This is a valid response and should be marked and rewarded appropriately.</i> Responses may include: AO1 Knowledge and understanding 1 mark for identifying one benefit to a business of improving capacity utilisation • better use of factors of production/more efficient • more products made in same time/match production to demand • achieve output maximisation • take advantage of economies of scale • reduce inventory storage cost AO2 Application 2 marks for developed application/explanation of the chosen benefit 1 mark for limited application/explanation of the chosen benefit	5

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Question	Answer	Marks
4	• no idle assets e.g. employees, premises, machinery, office space • spread fixed costs of business over more units e.g. running machinery, rent of premises/unit fixed costs will reduce • cope with increases in demand, no risk of stock out • buy more raw materials/components to gain discounts • opportunity cost of inventory stored but unable to be used • no wastage AO3 Analysis 2 marks for developed analysis of the chosen one benefit 1 mark for limited analysis of the chosen one benefit • business can be more competitive/increase market share • cost of producing each item will fall so can lower selling price or increase profit margins • increased flexibility to meet customer demand results in customer satisfaction • business can become more profitable as costs fall but sales increase • reduced inventory costs increases profits and allows money to be used elsewhere Accept all valid responses.	

Question	Answer	Marks
5(a)	Analyse <u>two</u> limitations to a business of using a business plan. There are 8 marks in total for Q5(a) – 4 marks for each of the two reasons given: 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for giving one limitation to a business of using a business plan K • plan is often set up before the business starts to run • plan may not be accurate/may be biased • plan may be unrealistic • business plan for a large business can be a very complex document • plans quickly become out of date/are short term • may cause inflexibility/over-reliance • reduce innovation • reveals future strategies to competitors • does not guarantee success AO2 Application 1 mark for application of one limitation APP • must be based on market research but no past experience of running this business • an entrepreneur may not have business knowledge, just an idea based on a hobby • unrealistic expectations puts pressure on employees	8

Question	Answer	Marks
5(a)	- a lot of time and effort is taken to produce a detailed business plan - external and internal circumstances may not be predictable and can change rapidly - owner may prefer to follow the plan rather than reacting to external influences and ideas - plan may be critiqued by other businesses AO3 Analysis 2 marks for developed analysis of one limitation L2 AN 1 mark for limited analysis of one limitation L1 AN - for a start-up business the plan might be weak due to inexperience or over-optimism of entrepreneur so will not help the business to make decisions - to be useful the plan must have accurate forecasts, the right actions must be planned and effectively implemented in the given circumstances, otherwise it is a waste of time for the business to produce - without being based on reliable research and experience in this type of business the plan may be inaccurate and will not help the business to survive or develop - if goals are not achieved employees are discouraged and motivation is reduced - an employee, probably a manager, will have to be allocated the role of producing the plan, which takes them away from other aspects of their job role, so the business may be less efficient - the business plan needs to be constantly updated if it is to be an effective working document which takes further time/effort - lack of quick responses causes missed opportunities and lack of competitiveness - simply having a plan does not guarantee success/must be good and carried out well - confidential company information is revealed to external sources, losing competitive advantage Accept all valid responses.	

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Question	Answer	Marks
5(b)	‘A chocolate manufacturer should use external methods of growth to successfully achieve its objectives.’ Evaluate this view. There are 12 marks for Q5(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge L2 K 1 mark for limited knowledge L1 K - external (inorganic) buying or joining with another business, integration, merger, takeover, horizontal, forward vertical, backward vertical, conglomerate diversification, joint venture, strategic alliance - internal (organic) sales growth with existing products and customers or new products, new customers, new markets - different types of objectives – growth in size, market share, profit, cash flow, survival, diversification, providing a service, ethical, social	12

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Question	Answer	Marks
5(b)	AO2 Application 2 marks for developed application L2 APP 1 mark for limited application L1 APP - chocolate manufacturer – may give named examples, brands or foods, could refer to specific parts of the process. The manufacturer could undertake backward vertical integration with a supplier of cacao beans. Packaging is not application unless explained in relation to chocolate – it can apply to any manufacturer AO3 Analysis 2 marks for developed application L2 AN 1 mark for limited application L1 AN - horizontal integration is good for increasing market share by combining sales of both businesses, whilst getting rid of a competitor - mergers can bring together complementary ideas and techniques to aid product development e.g. new chocolate recipe - external growth is good for entering new markets where the other business is already established and successful - external growth is a quick method of expansion as all factories, equipment and employees are already in place - takeover may be too expensive for a business aiming for quick profit maximisation or a small business - internal growth is less expensive and may appeal more to a smaller business - depending on what the objectives are it is possible to achieve them without growth e.g. motivating/training workers for profit maximisation - a new business may focus on survival and then slower internal growth building on their success	

Question	Answer	Marks																		
5(b)	AO4 Evaluation 6 marks for evaluation  <table> <tr> <td>Developed/Supported judgement in context</td><td>L3 </td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 </td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 </td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 </td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 </td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 </td><td>1 mark</td></tr> </table> <i>A judgement/decision on whether a chocolate manufacturer should use external methods of growth to successfully achieve its objectives is made.</i> <i>Such judgements/decisions may be made at any point in the essay, not just in a concluding section</i> • depends on the objectives of the business • depends on current size of the business • depends on strength of brand, competition, state of economy, changing customer tastes e.g. for lower sugar chocolate • depends on the type of chocolate products being manufactured - niche or specific to particular countries e.g. chilli chocolate. Will it transfer to a wider market? • is there the potential for the manufacturer to grow? • depends on how much finance is available to grow • depends on the type of ownership of the business • merger, friendly and hostile takeovers can all be carried out Accept all valid responses.	Developed/Supported judgement in context	L3 	6 marks	Developed/Reasonable evaluative comments in context	L3 	5 marks	Developed/Supported judgement without context	L2 	4 marks	Developed/Reasonable evaluative comments without context	L2 	3 marks	Limited supported judgement	L1 	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 	1 mark	
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Developed/Reasonable evaluative comments without context	L2 	3 marks																		
Limited supported judgement	L1 	2 marks																		
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 	1 mark																		

Question	Answer	Marks
6(a)	Analyse <u>two</u> reasons why an employee's human needs may not be satisfied at work. There are 8 marks in total for Q5(a) – 4 marks for each of the two reasons given: 1 mark for K 1 mark for APP 2 marks for AN Indicative content <i>Note: A candidate may interpret the question as why the business is unable to satisfy its employees' human needs e.g. it cannot afford to pay higher wages or provide a rest room. This is an acceptable interpretation and the full range of marks is available for such an answer.</i> Responses may include: <i>Note: Some candidates make the application points as knowledge points and vice versa. This is acceptable and should be rewarded.</i> AO1 Knowledge and understanding 1 mark for giving one reason K • underpaid • lack of job security • unsafe working conditions • lack of teamwork • no promotion prospects • lack of work life balance • type of job • style of leadership • objectives of the business	8

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Question	Answer	Marks
6(a)	AO2 Application 1 mark for application of one reason APP • basic/hygiene needs not met – money, survival, low wages/salary • security and safety needs – contract, business struggling • belonging or social needs - isolated • higher level needs/motivators not being met – recognition, self-esteem, self-actualisation, achievement • hours are long and restrictive • work is boring, monotonous, lack of opportunity • autocratic, strict, regimented working style • if objectives are not profit maximisation employees might suffer AO3 Analysis – 2 marks for developed analysis of one reason L2 AN 1 mark for limited analysis of one reason L1 AN • not enough money to pay for basic standard of living for self and family. May be unskilled and low paid job – no opportunity to improve this without employer willing to increase wage and may need to pay for training to do this • no job security – no contract, zero hours, no trade union representation, unethical employer, high demand for jobs, recession causing business uncertainty – employee unable to make plans for the future • no opportunity to work with others – labour intensive flow production. Exclusion by other employees. Discrimination. Employee may be demotivated and not want to go to work • no acknowledgement or opportunity for promotion – employee feels they don't matter and may have to change jobs • no consideration by employer or management that employees have needs – may feel exploited and demotivated • employees have different needs depending on past experience and current position – need to feel that this is recognised • focus on business survival rather than profit maximisation means employee wages might be lower Accept all valid responses.	

Question	Answer	Marks
6(b)	‘Non-financial motivators are the most effective methods of motivating a hotel’s employees.’ Evaluate this view. There are 12 marks for Q6(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge L2 K 1 mark for limited knowledge L1 K • non-financial motivators – job satisfaction, training, leadership, job rotation, job enlargement, teamworking • financial motivation – salary, commissions, bonuses, overtime AO2 Application 2 marks for developed application L2 APP 1 mark for limited application L1 APP • hotel – vacation, holiday makers, business conferences, rooms, services provided • types of employees/job roles in a hotel – cleaners, reception, hotel manager, chef, waiters	12

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Question	Answer	Marks																		
6(b)	AO3 Analysis 2 marks for developed application L2 EVAL 1 mark for limited application L1 EVAL - teamworking may lead to greater efficiency in taking care of guests and lead to getting good reviews, but some employees might work better individually and dislike working with others - job rotation could make working more interesting e.g. cleaners rotate into different areas of the hotel rather than only cleaning bedrooms, but could take time to train in different areas - training to improve performance boosts self-esteem and also encourages employee to take pride in work but has cost implications - job enrichment and being given more responsibilities e.g. junior chefs being encouraged to develop a dish for the restaurant - provision of good working conditions will motivate many employees to stay with the hotel due to having good equipment and safe surroundings where there is no risk of accident - low paid, temporary, often young employees in hotels e.g. waiting staff and cleaners are possibly motivated by money therefore opportunities to earn more with overtime or piece rate may motivate them to work harder/longer AO4 Evaluation 6 marks for evaluation EVAL <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr> </table>	Developed/Supported judgement in context	L3 EVAL	6 marks	Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks	Developed/Supported judgement without context	L2 EVAL	4 marks	Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks	Limited supported judgement	L1 EVAL	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark	
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Limited supported judgement	L1 EVAL	2 marks																		
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark																		

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Question	Answer	Marks
6(b)	<i>A judgement/decision regarding the most effective methods of motivating a hotel's employees is made. Such judgements/decisions can be made at any point in the essay and not just in a concluding section</i> • method may depend on type of employee and current job role • may depend on the amount of finance available to the hotel • may depend on the size/type of the hotel – small/niche/local/large chain • may depend on loyalty of employees to the hotel • may depend on number and type of competitors • may depend on whether the hotel requires motivated workers • budget vs luxury hotel e.g. Travelodge vs Hilton • expectations of clientele Accept all valid responses.	

Mark Grids for Section B**Used for Q5(a) and Q6(a)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.
1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Mark Grids for Section B**Used for Q5(b) and Q6(b)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.
2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.
1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Cambridge International AS & A Level

BUSINESS**9609/12**

Paper 1 Short Answer/Essay

October/November 2024**MARK SCHEME**Maximum Mark: 40

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 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **32** printed pages.

PUBLISHED**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 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.

**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)

PUBLISHED**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.

9609 Business Studies – Paper 1 Annotations

Annotation	Description	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
	Application	Indicates where application is made to an appropriate business context.
	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
	Evaluation	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
	Too vague	Used when parts of the answer are considered to be too vague.
	Noted but no credit given	Indicates that content has been recognised but not rewarded.
	Repetition	Indicates where content has been repeated.
	Level 1	Indicates a Level 1 point is made.

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Annotation	Description	Use
	Level 2	Indicates a Level 2 point is made.
	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	Used to view PE comments on Practice Scripts only – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

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.

Mark Grids for Section A**Used for Q1(a), Q2(a) and Q3(a)**

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	2	Indicated by 2 ✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	1	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	0	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of one relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of one relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	1 mark Limited application of one relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	0 marks No creditable response.

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Question	Answer	Marks
1(a)	Define the term <i>external stakeholders</i> Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding of the term <i>external stakeholders</i> is worth 2 marks. - Those outside of (who do not work for) an organisation/business ... but have an interest in or are affected by that business. Accept examples such as suppliers, customers, the community if they are given to explain externality (2) Partial understanding of the term <i>external stakeholders</i> is worth 1 mark. - Stakeholders who are outside of the business (1) Accept all valid responses.	2

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Question	Answer	Marks
1(b)	Explain <u>one</u> way the aims of employees may impact on the decisions of a business. Indicative content Responses may include: AO1 Knowledge and understanding 1 mark K for identifying one way the aims of employees may impact a business. • Employees are a significant group of internal stakeholders with an interest in how a business should operate and may have aims that impact on a business ... <i>accept general impact on a business as well as or instead of impact on business decisions.</i> • Pressure human resources to produce supportive working conditions (via trade unions – threat to withdraw labour) • Seek wage/salary increases, profit share opportunities • Seek strong health/safety conditions • Seek regular training and development • Seek participation in decisions • May also be determined to be productive/hardworking leading to a positive impact on a business • May seek self-actualisation at work	3

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Question	Answer	Marks
1(b)	AO2 Application 2 marks  for developed application/explanation of the way given 1 mark  for limited application/explanation of the way given The ways the aims of employees may impact on business should include examples of <i>how a business might respond to the aims of employees.</i> • Business may have to accept increases costs to meet employee aims/demands • May need to postpone/abandon growth policies • May need to increase prices to cover increased costs • May need to increase resource allocation to employee stakeholder group • May need to reduce focus on dividends and profit retention • May respond positively if employee aims are aligned with business aims. Accept all valid responses.	

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Question	Answer	Marks
2(a)	Define the term <i>full costing</i> Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding of the term <i>full costing</i> is worth 2 marks. - The method of costing in which all fixed and variable costs ... are allocated/applied to products, product prices or cost centres of a business (2) – reference must be made to both aspects of this definition for the award of 2 marks - reference to only one aspect of this definition is a partial definition and should be awarded only 1 mark. Partial understanding of the term <i>full costing</i> is worth 1 mark. - The inclusion of fixed and variable costs (1) Accept all valid responses.	2

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Question	Answer	Marks
2(b)	Explain <u>one</u> limitation of contribution costing. Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one limitation of contribution costing • Contribution costing allocates only direct costs to cost/profit centres • Segregation of fixed and variable costs often difficult and imprecise • Long term profitability is correctly calculated only using a full-cost basis • Not an appropriate method for price determination • It oversimplifies cost behaviour • Gives misleading impression of business performance • Difficult to allocate across a multi-product business • May not reflect economic reality • May prevent new product development • Calculation of contribution cost can be difficult • Only an internal tool	3

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Question	Answer	Marks
2(b)	AO2 Application 2 marks for developed application/explanation of one limitation of contribution costing 1 mark for limited application/explanation of one limitation of contribution costing • Ignores overhead costs and so delays/distorts the calculation of profit or loss • Takes no account that some products/divisions may have much higher fixed costs than others • May distort economic reality – especially when inventory changes • May lead to a business continuing to produce a product long after it should have stopped production (makes a contribution) but delays a new product that could make a better contribution • Inappropriate pricing may lead to reduced sales/profitability • Gives misleading picture of business performance – overstates profit • The segregation of costs can be difficult – cannot be done with precision – marginal costs cannot be represented as a straight line • Internal use only – does not align with financial reporting regulations. Accept all valid responses.	

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Question	Answer	Marks
3(a)	Define the term <i>dynamic pricing</i> Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding of the term <i>dynamic pricing</i> is worth 2 marks. - The practice of varying the price of a product ... in response to demand and supply (market changes) and/or ability to pay (2) – reference must be made to both aspects of this definition for the award of 2 marks – reference to only 1 aspect of this definition is a partial definition and should be awarded only 1 mark. Partial understanding of the term <i>dynamic pricing</i> is worth 1 mark. - Regular product price changes (1) - Based on demand (1) - Based on ability to pay (1) Accept all valid responses.	2

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Question	Answer	Marks
3(b)	Explain <u>one</u> reason why a business might use price discrimination. Indicative content AO1 Knowledge and understanding 1 mark for identifying one reason why a business might use price discrimination. <i>Note: Do not award a mark for a definition of what price discrimination is – award a mark only for a reason <u>why</u> a business might <u>use</u> price discrimination.</i> • Allows a business to take advantage of market position • Allows a business to exploit segmented markets • Allows a business to stimulate customer demand • Allows a business to maximise sales, revenue, profit AO2 Application 2 marks for developed application/explanation of one reason 1 mark for limited application/explanation of one reason • If conditions allow it can enable a business to maximise profits/sales when market segments are kept apart • It allows a business to set the highest price that the customer is willing to pay in each market segment based on their ability to pay. • By selling at a high price in some markets a business can maintain its share of sales in more competitive markets a lower price might be used. • A business using price discrimination can entice customers to purchase larger quantities of products/services • Price discrimination can be used to motivate otherwise uninterested customers to purchase products/services Accept all valid responses.	3

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Question	Answer	Marks
4	Analyse <u>one</u> way employee development could be used by a business to encourage intrapreneurship. <i>Note: No marks should be given if a relevant ‘way’ is not given somewhere in the answer. Do not award marks for a correct definition of either ‘employee development’ or ‘intrapreneurship’ unless the terms are used to explain and analyse ways in which intrapreneurship is encouraged.</i> Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one way employee development could be used by a business to encourage intrapreneurship • Train employees to provide more/enhanced skills • Delegate to provide manager and leadership opportunities • Use motivational theorists e.g. Maslow • Support employee self-actualisation needs • Support teamwork/job enrichment opportunities to increase confidence • Provide the time and resources to innovate and think ‘outside the box’ • Develop flexible work patterns • Provide incentives for creative ideas/proposals • Free up time for experiments and projects	5

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Question	Answer	Marks
4	AO2 Application 2 marks for developed application/explanation of the chosen way 1 mark for limited application/explanation of the chosen way • Business recognises that, with enhanced and new skills, employees can make a greater contribution to business performance • Business recognises that improved intrapreneurial skills can lead to competitive advantage and USP – and likely to be few businesses that allocate resources in such a way AO3 Analysis 2 marks for developed analysis of the chosen one way 1 mark for limited analysis of the chosen one way • Invest in training will develop a culture of experimentation – new skills – new confidence • Delegation will give confidence to innovate and develop new ideas • Support employees who will be risk-takers and who ‘tread their own path’ • Allow employees to devote a % of their work time to individual projects • Encourage prospective intrapreneurs to examine and analyse organisational bottlenecks – operate as internal consultants • Encourage autonomy and independence – recognise and reward employees that show an entrepreneurial spirit • Use employees to disrupt the business – support those that break the rules • Empower employees with tools and resources they need – give permission to innovate and break away from standard processes – encourage innovation and creativity • Develop and support intrapreneurial skill sets and lenses within the workforce – buy in through external recruitment if necessary and appropriate. Accept all valid responses.	

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Question	Answer	Marks
5(a)	Analyse <u>two</u> reasons why a business should measure labour productivity. There are 8 marks in total for Q5(a) – 4 marks for each of the two reasons given: 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for giving one reason K • Labour productivity is real economic output per labour hour • It is an important indicator of current/future business performance • It is an important indicator of efficiency/inefficiency ... what is going well/what might need changing • It allows a business to make comparisons • It allows a business to regularly analyse the factors that affect productivity levels/motivation levels • It suggests regular appraisals of resource allocation e.g. capital/labour investment	8

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Question	Answer	Marks
5(a)	AO2 Application 1 mark for application of one reason APP • Labour productivity is an important determinant of business performance • Measurement of labour productivity gives a business information relating to any need to change/improve the productivity of its workforce • Measurement allows comparisons to be made between current and past labour productivity and with competitor levels of labour productivity AO3 Analysis – 2 marks for developed analysis of one reason L2 AN 1 mark for limited analysis of one reason L1 AN • Business needs to understand the strength or weakness of its current level of labour productivity – how past decisions have impacted on labour productivity • Business needs to understand why and how changes in labour productivity are needed – what level of improvement is needed • If labour productivity is seen to be declining change, options can be considered – invest in more capital equipment – automation, computerisation, robotics – more investment in employee training and skills – review production process etc. • Labour costs are often a significant proportion of production costs and the productive use of labour is closely linked to business efficiency and profitability – non-measurement of labour productivity implies there is little management control or accountability of business performance – ‘what gets measured gets done’. Accept all valid responses.	

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Question	Answer	Marks
5(b)	Evaluate whether the sustainability of operations is the most important operating factor in a large retail distribution business. There are 12 marks for Q5(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content <i>Note: While the term business sustainability is understood by many to be concerned primarily with environmental and social issues such as waste and carbon emissions, some candidates may present an alternative understanding of the term business sustainability.</i> <i>This alternative understanding has a focus on the need for a business to survive long term as a viable operating business having concern for issues such as sustainable employment, and the sustainability of providing appropriate goods and services. If this alternative understanding and interpretation of sustainability clearly relates to the question it should be seen as an acceptable response and marks awarded according to the strengths of the AO1, AO2, AO3, and AO4 skills presented.</i>	12

Question	Answer	Marks
5(b)	Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge L2 K 1 mark for limited knowledge L1 K • Sustainable operations are those that deliver financial value with the imperative to take account of societal and environmental impact for the benefit of all stakeholders • Sustainable operations seek to use practices and meet existing needs without placing future resources at risk and compromising the ability to meet future needs • Operating factor – any part of the operational process that affects the operational performance of a business. • Distribution warehouse – the storage of products, the sorting and filling of customer orders and the delivery of products to customers. AO2 Application 2 marks for developed application L2 APP 1 mark for limited application L1 APP • Sustainable operations such as sustainable packaging for items sold and made ready for delivery • Low carbon delivery methods – electric vans • Sustainable delivery flow methods/models • Sustainable inventory holding methods • Low energy consumption strategies in distribution warehouses • Types/e.g. of large scale retailers which use retail distribution centres	

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Question	Answer	Marks
5(b)	AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN - Improving the sustainability of operations of a business can involve – an audit of energy usage, of water usage, of waste/materials management - Improving the sustainability of operations of a distribution warehouse can involve an audit of distribution fleet energy usage/inventory flow and order management - Operational sustainability can involve – upgrade of heating and cooling systems, more energy efficient lighting, fuel efficient transport/vehicles - Improving operational efficiency involves – cost effective streamlining of base operations with a focus on resource utilisation - Improving operational efficiency can be sought and achieved through – minimising waste in operations, - Operational efficiency can be improved with – producing and managing enough inventory to meet demand with as little excess inventory as possible	

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Question	Answer	Marks																		
5(b)	AO4 Evaluation 6 marks for evaluation  <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 </td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 </td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 </td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 </td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 </td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 </td><td>1 mark</td></tr> </table> <i>A judgement/decision of the importance of improving the sustainability of operations is made. Such judgements/decisions may be made at any point in the essay, not just in a concluding section</i> • A judgement might be made that operational sustainability and operational efficiency are very much the same – the search for cost reduction and the measures to secure those cost reductions can be similar, e.g. waste reduction, energy reduction, efficient resource usage • A judgement might be made that operational efficiency improvement is a much more limited activity than sustainability improvement • A judgement may be made that the aims of a commercial business should be cost reduction and profit enhancement, <u>not</u> objectives concerned with environmental and societal benefits • A judgement might be made that improving the sustainability of operations requires more substantial changes in business behaviour – a focus on the long-term rather than the short-term – the deliberate pursuit of ecological balance through the non-depletion of natural resources Accept all valid responses.	Developed/Supported judgement in context	L3 	6 marks	Developed/Reasonable evaluative comments in context	L3 	5 marks	Developed/Supported judgement without context	L2 	4 marks	Developed/Reasonable evaluative comments without context	L2 	3 marks	Limited supported judgement	L1 	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 	1 mark	
Developed/Supported judgement in context	L3 	6 marks																		
Developed/Reasonable evaluative comments in context	L3 	5 marks																		
Developed/Supported judgement without context	L2 	4 marks																		
Developed/Reasonable evaluative comments without context	L2 	3 marks																		
Limited supported judgement	L1 	2 marks																		
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 	1 mark																		

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Question	Answer	Marks
6(a)	Analyse <u>two</u> benefits to a business of customer relationship marketing. There are 8 marks in total for Q6(a) – 4 marks for each benefit given: 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for giving one benefit K • Establishes successful customer relationships that produce and maintain customer loyalty • CRM attracts and retain customers • Improves brand image • An effective method of promotion/advertising • An effective way of increasing customer base • Provides important and detailed information on customers • Provides a potentially profitable interface with most important customers • Reduces customer dissatisfaction and complaints	8

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Question	Answer	Marks
6(a)	AO2 Application 1 mark for application of one benefit APP • CRM puts the customer at the centre of all marketing decisions to keep existing customers and gain new ones • CRM gains as much information as possible about the income, buying habits, and product preference of customers • CRM seeks to build a successful interface with customers and so deal with customers efficiently and effectively AO3 Analysis 2 marks for developed analysis of one benefit L2 AN 1 mark for limited analysis of one benefit L1 AN • Improve customer relationships – gathers data to facilitate targeted marketing and support • Deepens the business relationship with customers – allows business to stay connected to customers and potentially increase profits • Facilitates more effective marketing campaigns – makes forecasting simpler and more accurate – the whole customer journey from enquiry to sale is documented • Supports a strategy to learn more about customer needs and behaviours – and so deal with customers more efficiently – determine which customers are more profitable and those that are not profitable • Improves customer relationships where sales may be slipping or where there is poor customer service – invest in live chat, video chat etc • Assists sales team to analyse and prioritise existing sales – identify and seize sales opportunities – cross-selling • Reduces costs of marketing – better targeted customer information (in the cloud, for example) reduces the costs of manual and paper administrative work Accept all valid responses.	

Question	Answer	Marks
6(b)	‘Market research is essential for effective product development in a hotel’. Evaluate this view. There are 12 marks for Q6(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge L2 K 1 mark for limited knowledge L1 K • Market research is action designed to gather information about consumer needs and preferences that helps to determine the viability of a product or service • Market research information can help a business to understand what customers want and their perceptions of existing products and services – strengths and weaknesses • Product development supports business survival and growth where there are changing customer demands and behaviours, and strong competition • Products are designed to be more attractive to existing customers and to attract new customers • Market research produces relevant information for product development	12

Question	Answer	Marks
6(b)	- Indicates gaps that can be filled through product development - Informs the business of competitor threats - Informs the business of performing and non-performing products and services - Informs the business of customer expectations/requirements and what changes may take place AO2 Application 2 marks for developed application L2 APP 1 mark for limited application L1 APP Market research and new products may be required due to the following reasons: - Hotel rooms may be tired, dated, too small - Hotel may lack pools, gyms, entertainment - Hotel food may be poor/indifferent - Customer services may be poor – little personal service – few remedies for faults – TV/showers not working - Hotel amenities may be out of date – refurbishment needed to meet modern needs AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN Market research may be needed to address the following: - Develop a better understanding of customer concerns/dissatisfaction – encourage on-line reviews and feedback - Improve customer satisfaction by rewarding loyal guests and personalise the customer experience - Modernise and improve hotel services such a free internet, offer more sustainable services – recyclable materials, water conservation, simplify the booking and make checkout simple and speedy - Special offers for long stay, out of season stays – price reductions, enhanced food options, upgrade room - Recruit new leadership and management – to create new ideas and products, improved customer satisfaction - Improve quality of hotel services – new local suppliers of quality food – higher quality bed linen - Introduce new themed ‘fun’ nights – attract a new clientele - Invest more resources into marketing – exploit the brand – outflank competitor activities – market new offers Market research and product development will likely underpin and support most of the activities outlined above	

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Question	Answer	Marks																		
6(b)	AO4 Evaluation 6 marks for evaluation  <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 </td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 </td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 </td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 </td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 </td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 </td><td>1 mark</td></tr> </table> <i>A judgement/decision regarding the importance of market research and new product development is made. Such judgements/decisions can be made at any point in the essay and not just in a concluding section</i> • A judgement/decision might be made that, if customer satisfaction (or lack of it) is the cause of poor hotel performance, then market research is vital and important in order to determine what changes need to be made • It may be decided that market research must come before development of products or services. <u>Research</u> and <u>Development</u> is the correct order • The judgement is made that market research is the critical tool to enable a business to know what existing and new customers need and want – and without effective market research competitive advantage cannot be achieved • It may be decided that effective hotel managers and leaders need to concentrate on new ideas and products quickly rather than wait for market research results • A judgement might be made that attempts to improve hotels requires <u>both</u> effective market research <u>and</u> product development • A judgement could be made that there are other factors that need to be considered, other than market research e.g. the quality of financial management and control, the quality of HRM, or the operational efficiency of food production and cleaning operations	Developed/Supported judgement in context	L3 	6 marks	Developed/Reasonable evaluative comments in context	L3 	5 marks	Developed/Supported judgement without context	L2 	4 marks	Developed/Reasonable evaluative comments without context	L2 	3 marks	Limited supported judgement	L1 	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 	1 mark	
Developed/Supported judgement in context	L3 	6 marks																		
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Developed/Reasonable evaluative comments without context	L2 	3 marks																		
Limited supported judgement	L1 	2 marks																		
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 	1 mark																		

Question	Answer	Marks
6(b)	Accept all valid responses.	

Mark Grids for Section B**Used for Q5(a) and Q6(a)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.
1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Mark Grids for Section B**Used for Q5(b) and Q6(b)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.
2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.
1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Cambridge International AS & A Level

BUSINESS**9609/13**

Paper 1 Short Answer/Essay

October/November 2024**MARK SCHEME**Maximum Mark: 40

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 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **32** printed pages.

PUBLISHED**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 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.

**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)

PUBLISHED**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.

9609 Business Studies – Paper 1 Annotations

Annotation	Description	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
	Application	Indicates where application is made to an appropriate business context.
	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
	Evaluation	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
	Too vague	Used when parts of the answer are considered to be too vague.
	Noted but no credit given	Indicates that content has been recognised but not rewarded.
	Repetition	Indicates where content has been repeated.
	Level 1	Indicates a Level 1 point is made.

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Annotation	Description	Use
	Level 2	Indicates a Level 2 point is made.
	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	Used to view PE comments on Practice Scripts only – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

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.

Mark Grids for Section A**Used for Q1(a), Q2(a) and Q3(a)**

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	2	Indicated by 2 ✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	1	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	0	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of one relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of one relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	1 mark Limited application of one relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	0 marks No creditable response.

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Question	Answer	Marks
1(a)	Define the term <i>labour turnover</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding of the term <i>labour turnover</i> is worth 2 marks. • The rate at which employees are leaving an organisation ... during a specified period (2) or • Number of employees leaving during a period, divided by the average number of employees during that period, multiplied by 100 (formula) (2). Partial understanding of the term is worth 1 mark. • When employees leave a business Accept all valid responses.	2

Question	Answer	Marks
1(b)	Explain <u>one</u> implication for a business of having a low rate of labour turnover. Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for identifying one implication of low labour turnover • Reduces cost of employee replacements + • Fewer interruptions in production process • Motivated/contented employees • Work culture likely to be supportive • Expertise and experience retained <i>Implication could be negative.</i> • Lack of new ideas, creative/innovative activity • High-cost employees AO2 Application 2 marks for developed application/explanation of the implication given 1 mark for limited application/explanation of the implication given The implications for a business with a low rate of labour turnover include: – • Costs of replacing labour is small + • Reduced loss in production time in training new employees • Morale of workforce may remain high – less stress on remaining staff if few leave • Knowledge and expertise is retained in the business • Customer service standards maintained with consistency of staff • Training costs and time saved	3

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Question	Answer	Marks
1(b)	The implications above are all positive and may be experienced as a result of a positive working environment. However, there may be some negative implications: – • There may be some significant underlying problems in the business that need addressing - • Low labour turnover may mean that poor performers are retained and this may affect morale • The cost of employees may be very high, with many long-serving and senior employees earning high wages/salaries • The labour force may lack new ideas – little creativity and innovation • There may be few promotion opportunities with some leaving the business • Existing staff may not have appropriate skills Accept all valid responses.	

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Question	Answer	Marks
2(a)	Define the term <i>product differentiation</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding of the term <i>product differentiation</i> is worth 2 marks. • Making your product stand out from the competition ... provides a competitive advantage or USP (2) Partial understanding of the term <i>product differentiation</i> is worth 1 mark. • Making your product stand out from the competition (1) • Provide a competitive advantage or USP (1) Accept all valid responses.	2

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Question	Answer	Marks
2(b)	Explain <u>one</u> reason why product development might be important for a business. Indicative content Responses may include: <i>Note: Textbooks suggest that `product development` means further development of existing products in a product portfolio as well as the development of new products.</i> AO1 Knowledge and understanding 1 mark for identifying one reason. • Keep up with competition • Exploit new markets/increase existing ones • Allows use of new technology • New products more appealing to customers/ more profitable • Important to be agile, respond to market research findings and market trends • Can extend the profitable life of a product.	3

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Question	Answer	Marks
2(b)	AO2 Application 2 marks for developed application/explanation of one reason 1 mark for limited application/explanation of one reason The reasons for the importance of product development include: – • The need to respond to competitive products and initiatives and win new business • Sell more to existing customers – increase the value offer • Reduce costs associated with current products and services • Produce new products and improve existing products in order to enter new markets • Businesses need to innovate or die • Support business growth – diversification and increased range of products/services • Respond to changing customer/market expectations, trends and fashions • Exploit new technology opportunities-increase sales and profits • May lead to important extension strategies. Accept all valid responses.	

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Question	Answer	Marks
3(a)	Define the term <i>government grant</i>. Indicative content Responses may include: AO1 Knowledge and understanding Clear understanding of the term <i>government grant</i> is worth 2 marks. • Money given by government to a business ... which normally does not need to be paid back or to fund a project or operation such as job stimulation/initiative (2) Partial understanding of the term <i>government grant</i> is worth 1 mark. • Money given by government to a business (1) Accept all valid responses.	2

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Question	Answer	Marks
3(b)	Explain <u>one</u> advantage of using retained earnings as a source of business finance. Indicative content AO1 Knowledge and understanding 1 mark for identifying one advantage • Provides a healthy pool of working capital – to purchase assets/invest – or to pay off debts • Internal funds quicker to organise and access • Internal control of business not affected • Avoids business debt • Reduced costs/no interest payments. AO2 Application 2 marks for developed application/explanation of one advantage 1 mark for limited application/explanation of one advantage. The advantages of using retained earnings as a source of finance include: • May be readily available and may be substantial if accumulated over time • Cheap source of finance – unlike loans no interest payments or fees to pay • Flexible source of finance – no conditions as to how to use – can use for R&D or update equipment or hire more staff • Fast source of finance – no waiting for lenders to process a request • Ideal for urgent/emergency funding. Accept all valid responses.	3

Question	Answer	Marks
4	Analyse <u>one</u> likely impact on a business of outsourcing its production process. Note: No marks can be awarded if a relevant impact is not given. Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for giving one likely impact • Likely to lead to production cost savings • But could lead to increased production costs • Allows a business to exploit its core skills • Take advantage of production skills and expertise elsewhere • Could lose control of the production process-reduced quality – inconsistent delivery • May damage the reputation of the business • May attract criticism from pressure groups • May mean internal redundancies AO2 Application 2 marks for developed application/explanation of the chosen impact 1 mark for limited application/explanation of the chosen impact • Outsourcing offers a number of advantages to a business – notably the possibility of lower costs – due to lower labour rates – increased efficiency • Outsourcing also offers a business the opportunity to concentrate on its core competences, which may not include its production process	4

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Question	Answer	Marks
4	- Outsourcing production can mean increased production costs - Could mean reputational damage if production quality suffers. - Could attract criticism from pressure groups. AO3 Analysis 2 marks for developed analysis of the chosen impact 1 mark for limited analysis of the chosen impact - Outsourcing the production process allows a business to enjoy significant reductions in the cost of production – especially with lower labour and land costs (depending on the selection of an appropriate outsource business) - Expensive capital investment in specialised technology is avoided-allowing focus on other activities-marketing, product design. - Allows a renewed focus on the core business – manufacturing/production can be time-consuming and high maintenance – a new focus on corporate aims and objectives - Outsource for the expertise and technology of a production process, which may not be in-house but is available with outsource companies - Outsourcing may provide more time for innovation and flexibility – opportunity to better meet changing business and commercial conditions Outsourcing may however impact on a business in a negative way: – - Control of the production process is lost – outsource company may slow the production time – language and cultural barriers - Outsourcing may lead to a reduction in quality – poor working practices – exploitation of labour - Outsourcing to a specialist production company may mean a substantial increase in production costs - Impact on in-house employees – jobs lost – fear for the future – morale reduced - Customers may have concerns and move to other businesses – ethical concerns - Outsourcing company may go out of business - There may be risks to privacy – intellectual capital – data protection Accept all valid responses.	

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Question	Answer	Marks
5(a)	Analyse <u>two</u> reasons why a business might choose to grow internally (organically). There are 8 marks in total for Q5(a) – 4 marks for each of the two reasons given: 1 mark for K 1 mark for APP 2 marks for AN Indicative content <i>Note: This question does not mention alternatives to internal growth or ask for comparisons between internal and external growth though such an answer approach is acceptable and rewardable.</i> <i>Some candidates may simply analyse why a business may seek to grow (through building an additional factory, opening up another shop, or operating in an additional different market) and make little reference to internal or organic growth issues. This approach is also acceptable and rewardable.</i> Responses may include: AO1 Knowledge and understanding 1 mark for giving ONE reason K • Reduces risk/ threat of poor mergers/alliances • Not subject to external contingencies • Business culture and morale retained • Preference to remain local/national • Avoid potential high costs involved with external growth	8

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Question	Answer	Marks
5(a)	AO2 Application 1 mark for application of one reason APP • The risk to a business is lower – own values and operations are retained • No necessity to seek strategic alliances or wait for the acceptable merger – business focus is maintained • Risk of culture clash with another business is avoided – less disruption to workers – business morale • Avoidance of significant merger/acquisition financial costs – external growth can be very expensive AO3 Analysis 2 marks for developed analysis of one reason L2 AN 1 mark for limited analysis of one reason L1 AN • Internal growth is relatively inexpensive – lower investment required – retained profits used rather than additional loans or shares • Internal growth relies on the strengths of the business, built up over the years – building on brand reputation, best-selling products, loyal employees – evolution rather than revolution reduces business risks • Internal growth is easier to control and manage – owners and managers retain total control of business operations and do not face unknown factors resulting from a merger/acquisition • Internal corporate culture is maintained – organic growth allows work culture and management style to remain and avoids possible problems associated with integration with other businesses • Maintains healthy gearing position – internal growth often funded from equity – either retained profits or issuing shares to investors – external debt is avoided – providing financial stability and solvency • Internal growth ensures continuity – focus of the business on pre-established policies is maintained – management and workers on the same page • Existing owners and managers may have limited ambition – limited internal growth may be seen as sufficient Accept all valid responses.	

Question	Answer	Marks
5(b)	‘Even a friendly merger between two social media companies may not be successful ` Evaluate this view. There are 12 marks for Q5(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge L2 K 1 mark for limited knowledge L1 K • Merger/takeover is the acquisition of the shares and assets of another company by a business in order to form a new legal entity • Friendly mergers result when owners and directors of both companies are in agreement • Hostile mergers occur when one company acquires a target company without the consent of the target company • Social media companies are interactive technologies that facilitate the sharing of information, ideas, interests or other forms of expression through virtual communities and networks	12

Question	Answer	Marks
5(b)	AO2 Application 2 marks for developed application L2 APP 1 mark for limited application L1 APP • A significant proportion of mergers (friendly and hostile) fail to meet objectives – shareholder value and competitive advantage not achieved • Friendly mergers more likely to achieve objectives – most mergers are friendly but 60–70% fail to realise expectations • Social media companies merge in order to achieve the advantages of any other merger – external growth, exploit common capabilities and competences, produce economies of scale, gain more efficiencies, bring more connectivity and utility to the service – e.g. merger of Facebook and WhatsApp in 2014 • The high rate of mergers failure to meet objectives suggests a number of fundamental weaknesses associated with the planning and operation of mergers AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN • Insufficient due diligence and poor pre-merger negotiation – critical performance information may not be disclosed from either company – assumptions made about the future of the new business may be wrong • Synergies may be overestimated – revenue increases and cost reduction aims are often not achieved – implementation priorities not set – growth trajectory of the merger may be uncertain • Lack of cultural fit – there is an inability to recognise and manage the cultural differences between the merged businesses – change management is poor • Poor top management of the integration of the two companies into the newly-formed business – post-merger integration is not led/managed effectively – the absence of a new strategic plan to secure the anticipated advantages of the merger – poor communication between the merged companies – no sense of urgency for changes needed – empire building more important than integration • External factors may reduce the anticipated success of the merged business – the competition make take advantage of any merger disruption or uncertainty – there may be technological innovations that undermine the reasons for the merger – external factors such as a worldwide pandemic are factors outside of business managers' control	

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Question	Answer	Marks
5(b)	AO2 Application 2 marks for developed application L2 APP 1 mark for limited application L1 APP - chocolate manufacturer – may give named examples, brands or foods, could refer to specific parts of the process. The manufacturer could undertake backward vertical integration with a supplier of cacao beans. Packaging is not application unless explained in relation to chocolate – it can apply to any manufacturer AO3 Analysis 2 marks for developed application L2 AN 1 mark for limited application L1 AN - horizontal integration is good for increasing market share by combining sales of both businesses, whilst getting rid of a competitor - mergers can bring together complementary ideas and techniques to aid product development e.g., new chocolate recipe - external growth is good for entering new markets where the other business is already established and successful - external growth is a quick method of expansion as all factories, equipment and employees are already in place - takeover may be too expensive for a business aiming for quick profit maximisation or a small business - internal growth is less expensive and may appeal more to a smaller business - depending on what the objectives are it is possible to achieve them without growth e.g., motivating/training workers for profit maximisation - a new business may focus on survival and then slower internal growth building on their success	

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Question	Answer	Marks
5(b)	AO4 Evaluation	
	6 marks for evaluation 	
	Developed/Supported judgement in context	
	L3 	
	6 marks	
	Developed/Reasonable evaluative comments in context	
	L3 	
	5 marks	
	Developed/Supported judgement without context	
	L2 	
	4 marks	
	Developed/Reasonable evaluative comments without context	
	L2 	
	3 marks	
	Limited supported judgement	
	L1 	
	2 marks	
	An attempt to balance the arguments/Weak attempt at evaluative comments	
	L1 	
	1 mark	

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Question	Answer	Marks
6(a)	Analyse <u>two</u> reasons why a business might use external recruitment. There are 8 marks in total for Q5(a) – 4 marks for each of the two reasons given: 1 mark for K 1 mark for APP 2 marks for AN Indicative content Responses may include: AO1 Knowledge and understanding 1 mark for giving one reason K • Acquire external expertise/experience • Cheaper in the long term – saves training costs • There is an internal skill gap that needs filling • The external pool of relevant employees is large • To shake up and change the internal working culture – new ideas AO2 Application 1 mark for application of one reason APP • External recruitment offers an alternative to a business as it seeks to develop its employees into an effective workforce • External recruitment is often used to complement internal recruitment – it provides advantages to a business that may not be available using only internal recruitment	8

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Question	Answer	Marks
6(a)	AO3 Analysis 2 marks for developed analysis of one reason L2 AN 1 mark for limited analysis of one reason L1 AN • External recruitment may be used to bring new ideas, new perspectives into the business – to support plans, to become more competitive • External recruitment may be used to import new skills and expertise into the business – to meet the demands of changing technologies, customer expectations – stay competitive • External recruitment may mean access to a larger pool of prospective employees – the internal workforce may need refreshing and motivating • A business may have a policy of equality and diversity – this may require external recruitment • A business may need to recruit new managers and leaders as employees retire and/or leave – internal employees may not be ready for promotion • External recruitment may be used to remove complacency – recruit experienced change managers to implement change and invigorate the organisation Accept all valid responses.	

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Question	Answer	Marks
6(b)	Evaluate whether the contribution of the managers in a new hospital will have the most influence on its performance. There are 12 marks for Q6(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL Indicative content Responses may include: AO1 Knowledge and understanding 2 marks for developed knowledge L2 K 1 mark for limited knowledge L1 K • Business managers are employed to oversee and develop the operational and business procedures within a business – duties include setting objectives, making plans, giving direction to the organisation • Specific business manager roles have been set out by theorists such as Fayol and Mintzberg • Business performance is concerned with and measured by such factors as – profitability/efficient resource utilisation, customer/client satisfaction, organisational sustainability, and quality of product/service provision • Hospitals are organisations that have a responsibility to effectively allocate resources in order to provide healthcare to patients who may require specialist medical support – treat and make sick patients more healthy	12

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Question	Answer	Marks
6(b)	AO2 Application 2 marks for developed application L2 APP 1 mark for limited application L1 APP - Managers can provide purpose and a sense of direction to any business - Managers may be general managers or more specialist managers – such as finance managers or HR managers and will make a specific and professional contribution to a business - Business managers are internal stakeholders and will normally take account of the views and concerns of other internal and external stakeholders when carrying out their responsibilities - A new hospital may provide specific opportunities for managers in pursuit of effective performance – opportunities to develop a rich organisational culture, to establish strong financial budgets and parameters, to invest in cutting edge technology and expertise/experience, and establish best practice medical and management processes AO3 Analysis 2 marks for developed analysis L2 AN 1 mark for limited analysis L1 AN The ways in which managers can contribute to the performance of a hospital include the following: - Develop operational and corporate goals for the organisation – provide a vision and set of objectives designed to deliver strong healthcare outcomes - Design appropriate organisational structure and operational processes – which are supportive of the organisational and project objectives - Recruit the appropriate levels and skills of the workforce – professional staff and support staff – nurses, doctors, porters and cleaners - Create an organisational culture that is appropriate for a hospital – a motivating work environment that supports emergency requirements as well as more controlled working processes - Provide the appropriate management styles suited to the demands of hospital work – democratic, autocratic, paternal, and <i>laisse-faire</i> may all be relevant given different demands and situations - Provide an appropriate system of financial control – ensure that resources are available and that budgets and financial objectives are followed	

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Question	Answer	Marks																		
6(b)	- Ensure that there is an appropriate organisation-patient-customer relationship – consider the possible contribution of CRM - Design and maintain appropriate communication systems in the hospital – efficient spread of information between departments and between the hospital and all its stakeholders - Maintain a momentum for high quality performance – including a culture that rewards performance and provides stability for all staff AO4 Evaluation 6 marks for evaluation  <table border="1"> <tr> <td>Developed/Supported judgement in context</td><td>L3 </td><td>6 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments in context</td><td>L3 </td><td>5 marks</td></tr> <tr> <td>Developed/Supported judgement without context</td><td>L2 </td><td>4 marks</td></tr> <tr> <td>Developed/Reasonable evaluative comments without context</td><td>L2 </td><td>3 marks</td></tr> <tr> <td>Limited supported judgement</td><td>L1 </td><td>2 marks</td></tr> <tr> <td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 </td><td>1 mark</td></tr> </table> <i>A judgement/decision is made in relation to the view that managers in a new hospital will have the most influence on its performance.</i> <i>Such judgements may be made at any point in the essay, not just in a concluding section</i> - The contribution that managers can make to a hospital, analysed above, is of course, dependent on manager skills and expertise – ineffective managers can reduce the performance of a hospital and get in the way of professional and support staff - A judgement might be made that if managers are competent at corporate and departmental levels, they can significantly influence hospital performance – they take vital and appropriate decisions and create working environments that produce high quality care	Developed/Supported judgement in context	L3 	6 marks	Developed/Reasonable evaluative comments in context	L3 	5 marks	Developed/Supported judgement without context	L2 	4 marks	Developed/Reasonable evaluative comments without context	L2 	3 marks	Limited supported judgement	L1 	2 marks	An attempt to balance the arguments/Weak attempt at evaluative comments	L1 	1 mark	
Developed/Supported judgement in context	L3 	6 marks																		
Developed/Reasonable evaluative comments in context	L3 	5 marks																		
Developed/Supported judgement without context	L2 	4 marks																		
Developed/Reasonable evaluative comments without context	L2 	3 marks																		
Limited supported judgement	L1 	2 marks																		
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 	1 mark																		

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Question	Answer	Marks
6(b)	• It might be suggested that managers having the most influence can be said to be a generalisation that overvalues the potential contribution of managers in a hospital, and underestimates the contribution of other factors of production – it can be argued that the professional health specialists in a hospital have at least the same, or possibly more, influence – the cutting edge technology in the hospital is also critical to health care outcomes • Also, the reference to ‘managers’ needs further consideration – there are general and specialist managers – corporate, departmental, project managers – each category of manager can make contributions to performance or, indeed, hinder quality performance Accept all valid responses.	

Mark Grids for Section B**Used for Q5(a) and Q6(a)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.
1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Mark Grids for Section B**Used for Q5(b) and Q6(b)**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.
2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.
1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Cambridge International AS & A Level

BUSINESS**9609/21**

Paper 2 Business Concepts 2

October/November 2024**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 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **34** printed pages.

PUBLISHED**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 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.

PUBLISHED**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).

PUBLISHED**3 Calculation questions:**

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Subject Specific Marking Principles for point-based marking**1 Using point-based marking:**

Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion. From this it follows that we:

- DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning, unless the mark scheme requires a specific term.
- DO credit alternative answers/examples which are not in the mark scheme if they are correct.
- DO credit answers where candidates give more than one correct answer where extended writing is required rather than short/list-type answers.
- DO NOT credit answers simply for using a key term unless that is all that is required. (Check for evidence it is clearly understood and used correctly.)
- DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities. For questions that require n reasons, e.g. State two reasons..., mark only the first two answers given, not any two that are correct out of a longer list.
- DO NOT give further credit for what is effectively repetition of a correct point already credited or to 'mirror' statements. For example, a response that includes: 'A business owner would benefit from limited liability as it would protect their personal possessions.' and 'If a business owner did not have limited liability they could lose everything.', cannot both be rewarded in answer to one question.
- DO NOT require spellings to be correct, it is not part of the test. However, spellings of business terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused, e.g. offshore/outsource or effective/efficient.

2 Presentation of mark scheme:

- Questions are in bold text.
- Possible responses are in normal text in a bulleted list.
- Marks are rewarded based on the table provided for each question.
- Possible responses are listed under the appropriate Assessment Objective.
- Slashes (/) separate alternative ways of making the same point.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark.

4 Annotation:

- Every response must have a minimum of one annotation.
- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers.
- For questions where only AO1 and AO2 are rewarded, there is a direct relationship between ticks and marks.
- For levels of response marking, the first time level 1 is achieved, L1 is annotated on the response. If/when level 2 is achieved, L2 should be used, etc.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who mark that paper.

Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives**AO1 Knowledge and understanding**

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application

Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation

Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Annotations for RM Assessor

<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Correct		For objective points that are right or wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate)
Incorrect		For objective points that are wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate) Also, incorrect elements of ANY question.
Unclear		When there is a misunderstanding in a response.	Any
Too Vague		When the candidate has attempted something, but the mark/skill has not been awarded.	Any
Highlight	Highlighter Or Underline	To highlight a point or section of an answer that justifies the mark/annotation.	Any
Benefit of doubt		When the candidate has attempted something, and the mark/skill has been awarded.	Any
On page comment	On page comment	Rarely used in live marking. Very useful for practice scripts. To communicate with the supervisor.	Any
Not using text		When the context has not been used.	Q1(b)(ii) , Q1(c) , Q1(d) , Q2(b)(ii) , Q2(c) , Q2(d)
Seen		To show a page/section has been seen/read.	Any
Not answering question		When the response is not focused on answering the question.	Any

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<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Repetition	REP	The repetition of a previous point in a response Or Candidate is copying the case study/data.	Any
Own figure rule	OFR	The own figure rule applies – acts as a mark/tick.	Q1(b)(i) and Q2(b)(i)
Knowledge (AO1) L1	K	When AO1 has been awarded. Number of Ks should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Knowledge (AO1) L2			
Application (AO2) L1	APP	When AO2 has been awarded. Number of APPs should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Application (AO2) L2			
Analysis (AO3) L1	AN	When AO3 at Level 1 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Analysis (AO3) L2	DEV	When AO3 at Level 2 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Evaluation (AO4) L1	EVAL	When AO4 at Level 1 has been awarded.	Q1(d) and Q2(d)
Evaluation (AO4) L2	E	When AO4 at Level 2 has been awarded.	Q1(d) and Q2(d)
Evaluation (AO4) L3	EE	When AO4 at Level 3 has been awarded.	Q1(d) and Q2(d)

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Question	Answer	Marks
1(a)(i)	Identify <u>one</u> feature of the primary sector. Indicative content Any feature of the primary sector ✓, including: • extraction/collection of natural resources/raw materials • sell raw materials to the secondary sector • a primary sector industry such as farming, fishing, mining Accept all valid responses.	1

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Question	Answer	Marks								
1(a)(ii)	Explain the term <i>intrapreneur</i>.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding Knowledge of intrapreneur K , may include: • manager who leads a team • develop ideas/technologies/applications/ways of doing business • creative/innovative										
Note: without K cannot award any marks.										
AO2 Application Explanation of intrapreneur APP may include: • employee within a business • product development • to help improve the company/profits • to help meet the demand of consumers • creates a competitive advantage										

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Question	Answer	Marks																								
1(a)(ii)	Context applied to intrapreneur APP, including: • risks stay with the business • takes on an entrepreneurial role within a business • has the characteristics (of) an entrepreneur • specific examples from FE, such as Lin developing new products • specific examples from BL, such as location of the factory Guidance in awarding marks <table border="1"> <tr> <td>Knowledge & understanding</td><td>Knowledge of intrapreneur</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Develops K point</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Applied to a business context/ business environment/generic example</td><td>1 mark</td></tr> </table> Exemplars and annotations <table border="1"> <thead> <tr> <th>Exemplars and annotations</th><th>Marks</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>Creative employee within a business, like Lin for FE</td><td>3</td><td>Creative (K), employee within a business (explanation APP) like Lin for FE (context APP)</td></tr> <tr> <td>Has the characteristics of an entrepreneur developing new ways of doing business</td><td>2</td><td>Has the characteristics of an entrepreneur (context APP), developing new ways of doing business (K)</td></tr> <tr> <td>Manager leading a team</td><td>1</td><td>Only K</td></tr> <tr> <td>Takes on an entrepreneurial role</td><td>0</td><td>Although there is APP, without K no marks can be awarded</td></tr> </tbody> </table>	Knowledge & understanding	Knowledge of intrapreneur	1 mark	Explanation	Develops K point	1 mark	Context	Applied to a business context/ business environment/generic example	1 mark	Exemplars and annotations	Marks	Rationale	Creative employee within a business, like Lin for FE	3	Creative (K), employee within a business (explanation APP) like Lin for FE (context APP)	Has the characteristics of an entrepreneur developing new ways of doing business	2	Has the characteristics of an entrepreneur (context APP), developing new ways of doing business (K)	Manager leading a team	1	Only K	Takes on an entrepreneurial role	0	Although there is APP, without K no marks can be awarded	
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Question	Answer	Marks
1(b)(i)	Refer to Table 1.1 and other information. Calculate the forecast change in FE's market share between 2023 and 2024. Market share/total market $\times 100$ (1) OR revenue/market revenue $\times 100$ (1) OR FE's forecast market share 2024 = $29.45 / 310 \times 100$ (1) = 9.5% (1) FE's market share 2023 = 8% (given in the case study so no mark for this figure) $9.5\% - 8\% = 1.5\%$ (3)	3

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Question	Answer			Marks
1(b)(i)	Marks			
	3	Correct answer 1.5% (accept 1.5)	Working and % do not matter.	
	2	Formula Market share/total market $\times 100$ OR Revenue/market revenue $\times 100$ AND Correct figures identified 29.45 / 310 OR Inverted $310 / 29.45 \times 100$ (1 mark for implied formula)= 1052.6 (OFR mark) OR Show working for inverted formula (1) and then use this as $1052.6 - 8 = 1044.6$ (OFR)	To award two marks, there must be • Two ✓ and a ✗ OR • One ✓ , one ✗ and one OFR	
	1	One of the following: Formula Market share/total market $\times 100$ OR Revenue/market revenue $\times 100$ OR Correct figures identified 29.45 / 310 OR Inverted $310 / 29.45$	To award one mark, there must be: • One ✓ and two ✗	
	0	No creditable content.	To award zero marks, there must be • One ✗	

Question	Answer	Marks								
1(b)(ii)	Explain <u>one</u> benefit to FE of product development.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
	0 marks No creditable response.		0 marks No creditable response.							
Indicative content										
AO1 Knowledge and understanding										
Knowledge of one benefit of product development  . Responses may include:										
• keep up with trends • stay competitive • to enter new markets • increase market share • increase sales • increase revenue/profit • improve the quality of products • increase customer satisfaction/loyalty • widen customer base • increases the range of products										
AO2 Application										
Explanation of a benefit of product development  , including:										
• innovative product may increase demand • more accurately meet consumer demand • may attract new customers										

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Question	Answer	Marks																								
1(b)(ii)	- may be able to charge a premium price/price skimming Context applied to a benefit to FE of product development APP including: - market for farm equipment is increasing - major competitor entered the market - intrapreneur and project team investment - developing new machinery - sells to large farms - market size increased due to product development/use of answer to Q1(b)(i) (OFR) Accept all valid responses. Guidance in awarding marks <table border="1"> <tr> <td>Knowledge & understanding</td><td>Knowledge of a benefit of product development</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of a benefit of product development</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Context linked to a benefit of product development</td><td>1 mark</td></tr> </table> <table border="1"> <thead> <tr> <th>Exemplars and annotations</th><th>Marks</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>Firms can enter new markets and widen their customer base and benefit from a growing market.</td><td>3</td><td>K for benefit, then APP for explaining why a benefit and APP for context from the case study.</td></tr> <tr> <td>Increases range of products to attract new customers</td><td>2</td><td>K for benefit, then APP for explaining why a benefit but there is no context</td></tr> <tr> <td>To stay competitive</td><td>1</td><td>K only</td></tr> <tr> <td>Market for farm equipment is increasing</td><td>0</td><td>No K demonstrated</td></tr> </tbody> </table>	Knowledge & understanding	Knowledge of a benefit of product development	1 mark	Explanation	Explanation of a benefit of product development	1 mark	Context	Context linked to a benefit of product development	1 mark	Exemplars and annotations	Marks	Rationale	Firms can enter new markets and widen their customer base and benefit from a growing market.	3	K for benefit, then APP for explaining why a benefit and APP for context from the case study.	Increases range of products to attract new customers	2	K for benefit, then APP for explaining why a benefit but there is no context	To stay competitive	1	K only	Market for farm equipment is increasing	0	No K demonstrated	
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Question	Answer				Marks
1(c)	Analyse <u>two</u> roles that FE has in the development of country Z.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
	Indicative content AO1 Knowledge and understanding Knowledge of two roles  (max 1 mark each – annotate one on the left and the other on the right) including: - creation of jobs/attract other foreign businesses - increased tax revenue - investment - encourage growth - contributes to economic development - increase exports/earn foreign currency				

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Question	Answer	Marks
1(c)	AO2 Application Context applied to each role, APP (max 1 mark for each role) including: • current market share 8% • forecast to grow to 9.5% (OFR from 1bi) • accounts for 40% employment • FE is in secondary sector • farming produce sold to other countries • secures country Z's food supply • BL a multinational company investing in country Z • public limited company AO3 Analysis <i>Limited analysis AN - candidate shows one link in the chain of analysis.</i> <i>Developed analysis DEV candidate shows two or more links in the chain of analysis or a two-sided analysis.</i> • farm equipment aids efficiency in farming • farming is an important sector in country Z • may expand and create more employment/reduce unemployment – increasing country's businesses revenue– • could increase investment • helps develop the secondary sector • success of FM may have attracted BL to locate and invest in country Z Note: Two-sided analysis could mean negative impacts considered such as effect on smaller businesses Accept all valid responses.	

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Question	Answer			Marks
1(c)	Exemplars and annotations			
	AO1 Knowledge	AO2 Application	AO3 Analysis	
	Create more jobs K .	As forecast share of total market revenue to increase APP	This helps reduce unemployment AN which will boost economic growth DEV .	
	Increased government tax revenue K	As attracting multinational companies such as BL APP	Which increases revenue for other businesses in the country AN who make higher profits so pay more tax DEV .	

Question	Answer				Marks
1(d)	Evaluate the likely impact on FE's HRM of the new BL factory.				12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	
	3				
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.	
				3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.	
				1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.	
				0 marks No creditable response.	

Question	Answer	Marks
1(d)	Indicative content AO1 Knowledge and understanding Knowledge of the impact on HRM K (max 2 marks), including: • recruit employees • employees leave • increase in labour turnover • pressure on wages • better opportunities • higher welfare • training and development opportunities AO2 Application Context applied to the impact on FE's HRM APP (max 2 marks), including: • low morale • poor work-life balance • employees feel management do not prioritise their welfare • autocratic management style • trade unions • no training and development opportunities at FE • BL larger company • multinational companies AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis. • a competitor will need local workers so could recruit from FE's workforce • workers may join a competitor if higher wages/better conditions • FE may find increased costs (recruitment, increased wages) • pressure on managers so that they listen to employees • could delay product development if need to recruit replacement employees • lose the skills of current employees who could easily transfer to a competitor	

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Question	Answer	Marks									
1(d)	AO4 Evaluation <i>Limited evaluation</i> EVAL - unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> E - supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context. • a justified judgement • identifying that the impact will ultimately depend on a number of unknowns (e.g. unemployment in country Z, BL could transfer employees from other countries) • could attract workers from other regions of country Z • discussion of negative v positive impacts • working conditions may not be better in BL • wages may be lower • BL may not want workers who want to unionise • likely success of BL in country Z unknown – risk to stability of employment • how skilled are the employees – may not need highly skilled workers Accept all valid responses. Exemplars for awarding evaluation <table border="1"> <thead> <tr> <th>L1 EVAL (limited supporting evidence)</th><th>L2 E (developed supporting evidence)</th><th>L3 EE (developed supporting evidence with context)</th></tr> </thead> <tbody> <tr> <td>Depends if other companies offer higher wages, labour turnover might increase.</td><td>Depends on whether other companies offer higher wages, then workers leave FE and labour turnover might increase.</td><td>Depends on whether BL, a major competitor, offer higher wages, then workers leave FE, for employment with BL and labour turnover increases.</td></tr> <tr> <td>There may be no impact on HRM.</td><td>There may be no impact on HRM as there may not be better opportunities with other firms.</td><td>There may be no impact on HRM as there may not be better opportunities with other firms and BL is new to country Z so could be risky for workers who go to BL.</td></tr> </tbody> </table>	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	Depends if other companies offer higher wages, labour turnover might increase.	Depends on whether other companies offer higher wages, then workers leave FE and labour turnover might increase.	Depends on whether BL, a major competitor, offer higher wages, then workers leave FE, for employment with BL and labour turnover increases.	There may be no impact on HRM.	There may be no impact on HRM as there may not be better opportunities with other firms.	There may be no impact on HRM as there may not be better opportunities with other firms and BL is new to country Z so could be risky for workers who go to BL.	
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Question	Answer	Marks
2(a)(i)	Identify <u>one</u> strength of a family business Indicative content Strengths  may include: • joint personal stake • united sense of purpose • trust • tend to take a long-run view • commitment • can be passed on to future generations • knowledge continuity Note: Must relate to a family business, for example, continuity on its own not enough Accept all valid responses.	1

Question	Answer	Marks								
2(a)(ii)	Explain the term <i>niche market</i>	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding Knowledge of a niche market K (max 1 mark), including: • (small) segment of a large market • unique/specialised products • luxury • high quality										
AO2 Application Explanation of a niche market APP , including: • often unprofitable for large companies • profits often higher/can be sold at a premium price • few competitors • limited quantities produced • customers have similar qualities/preferences Context applied to niche market APP , including: • examples of niche markets • CCL sell product C in a niche market										

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Question	Answer			Marks
2(a)(ii)	Accept all valid responses.			
	Guidance in awarding marks			
	Knowledge & understanding	Knowledge of a niche market	1 mark	
	Explanation	Development of the K point/characteristic of a niche market	1 mark	
	Context	Applied to a business context/business environment	1 mark	
	Exemplars and annotations			
	Segment of a large market that sells luxury items such as the market for Rolex watches	3	K for segment of a large market, APP for explaining sells luxury good and APP for the example	
	Small segment of a market with few competitors	2	K for small segment of a market, APP for characteristic. No context APP	
	Small segment of a mass market	1	K only	

Question	Answer		Marks
2(b)(i)	Refer to Table 2.1 and other information. Calculate the forecast total revenue of product C in 2024.		3
	Total revenue x proportion of revenue (1) Total Revenue 2023 \$10 million forecast to increase by 10% = \$10 million + \$1 million = \$11 million (1) Product C = 15% proportion of revenue = \$11 million/100 × 15 (1) = \$1.65 million (3)		
	Accept all valid responses.		
	Marks		
	3 marks	Correct answer \$1.65 million	
	2 marks	Formula OR Identifies correct figures AND Calculates increase in total revenue – \$11m	
1 mark	One of the following: Formula OR Identifies correct figures OR Calculates increase in total revenue – \$11m		
0 marks	No creditable content.		

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Question	Answer	Marks								
2(b)(ii)	Explain <u>one</u> benefit to CCL of using a budget.	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding Knowledge of a benefit K of using a budget, including: • coordinates activities • translate objectives into strategy • translate strategy into tactics • provide a record of organisational activities • can improve communication • improve resource allocation • improve efficiency • provides a tool for corrective action • compare different areas of the business										
AO2 Application Explanation of a benefit of using budgets APP , including: • coordinates activities; between functional areas of the business • translate objectives into strategy; to make sure the objective is met • translate strategy into tactics; to make the strategy is implemented • provide a record of organisational activities; for later comparison										

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Question	Answer	Marks																								
2(b)(ii)	• can improve communication/coordination; by giving financial targets • improve resources allocation; by giving a quantitative target • improve efficiency; by allocating finances to different areas of the organisation • provides a tool for corrective action; when actual and budgeted are compared Context applied to a benefit to CCL of using a budget APP including: • two products at maturity • two products with low market share • niche market product has lowest contribution to total revenue • market forecast of 25% growth Accept all valid responses. Guidance in awarding marks <table> <tr> <td>Knowledge & understanding</td><td>Knowledge of a benefit of using budgets</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of a benefit of using budgets</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Context linked to a benefit of using budgets</td><td>1 mark</td></tr> </table> <table> <tr> <th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr> <tr> <td>Improve resources allocation by giving a quantitative target to enable CCL to benefit from the forecast market growth</td><td>3</td><td>K for benefit, then APP for explaining why a benefit and APP for context from the case study</td></tr> <tr> <td>By allocating finances to different areas of the organisation can improve efficiency</td><td>2</td><td>K for benefit, then APP for explaining why a benefit but there is no context</td></tr> <tr> <td>Improve resource allocation</td><td>1</td><td>K only</td></tr> <tr> <td>Sets financial targets</td><td></td><td>No K of a <i>benefit</i> demonstrated</td></tr> </table>	Knowledge & understanding	Knowledge of a benefit of using budgets	1 mark	Explanation	Explanation of a benefit of using budgets	1 mark	Context	Context linked to a benefit of using budgets	1 mark	Exemplar and annotations	Mark	Rationale	Improve resources allocation by giving a quantitative target to enable CCL to benefit from the forecast market growth	3	K for benefit, then APP for explaining why a benefit and APP for context from the case study	By allocating finances to different areas of the organisation can improve efficiency	2	K for benefit, then APP for explaining why a benefit but there is no context	Improve resource allocation	1	K only	Sets financial targets		No K of a <i>benefit</i> demonstrated	
Knowledge & understanding	Knowledge of a benefit of using budgets	1 mark																								
Explanation	Explanation of a benefit of using budgets	1 mark																								
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Exemplar and annotations	Mark	Rationale																								
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Improve resource allocation	1	K only																								
Sets financial targets		No K of a <i>benefit</i> demonstrated																								

Question	Answer				Marks
2(c)	Analyse <u>one</u> advantage and <u>one</u> disadvantage to CCL of using Boston matrix analysis.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
	Indicative content AO1 Knowledge and understanding Knowledge of the Boston matrix  (max 1 mark if no knowledge of advantage or disadvantage), including: - a method of analysing the product portfolio of a business in terms of market share and market growth Knowledge of an advantage of Boston matrix analysis  (max 1 mark – annotate on left) including: - to analyse the breadth/specialisation of a business’s product portfolio - to enable business to move ? to stars - to ensure business to move stars to cash cows				

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Question	Answer	Marks
2(c)	- to enable business to launch new products - to enable business to avoid dogs Knowledge of a disadvantage of the Boston matrix analysis K (max 1 mark- annotate on right), including: - withdrawal of dogs from the market unlikely to increase revenue - to move ? to stars will need more spending on marketing - to move stars to cash cows will also require more spending/increased costs - sudden changes in demand may not be accounted for - does not consider contribution to total revenue/profit - does not consider other factors affecting products - data can be inaccurate AO2 Application Context applied to an advantage APP (max 1 mark) and disadvantage APP (max 1 mark) of Boston matrix analysis, including: - products a and d cash cows - products b and c question marks - no stars - limited portfolio of products - forecast market growth of 25% over the next 5 years - cash cows account for 55% of total revenue AO3 Analysis <i>Limited analysis AN – candidate shows one link in the chain of analysis.</i> <i>Developed analysis DEV candidate shows two or more links in the chain of analysis or a two-sided analysis.</i> - product development essential for competition and survival - can inform investment decisions - simple framework to use - only considers market share and market growth so won't be a complete analysis as to why products growing/declining - help eliminate poorly performing products, saving money in the long run - helps businesses understand current and future situations - identify new opportunities to ensure future growth/success - need to consider extension strategies for products - although a product might contribute most to revenue what product will replace this if it declines?	

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Question	Answer			Marks
2(c)	Accept all valid responses.			
	Exemplars and annotations			
	AO1 Knowledge	AO2 Application	AO3 Analysis	
	To enable business to move ? to stars K.	Such as product C APP	Which is showing high market growth AN so CCL could consider ways to increase product C's market share DEV	
	Simple analysis which does not take account of other factors K	Such as Product B's forecast contribution to total revenue APP	Which is higher than either of the two cash cows AN so low market share may not need to be a concern DEV	

Question	Answer					Marks
2(d)	Evaluate the importance of operations to CCL's added value.					12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	
	3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.	
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

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Question	Answer	Marks
2(d)	Indicative content AO1 Knowledge and understanding Knowledge of operations/added value K (max 2 marks), including: • added value difference between price and costs • value added by the transformation process • produces outputs for customers • inputs used to create outputs • inputs are land, labour, capital and enterprise • outputs created in the manufacturing process • AO2 Application Context applied to CCL APP (max 2 marks), including: • coffee a growing market • many (5) processes involved in the transformation process • product differentiation • products in different quadrants in the Boston matrix analysis • same ingredient in differently labelled jars • taste important in coffee consumption • may contribute more to non-branded product AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis. • helps to build the brand – increasing revenue/sales/profit • can add product features that customers want – attract new customers/increase customer loyalty • ensure quality – goods suitable for purpose • operate efficiently – cost effective • charge a higher price – increasing profits/value added • flexibility and innovation important – especially in a competitive/dynamic environment • protects market share and can increase it	

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Question	Answer	Marks									
2(d)	AO4 Evaluation <i>Limited evaluation</i> EVAL - unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> E – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context. A judgement whether operations does contribute to added value. • evaluation of the relative importance of operations as compared to e.g. marketing • elements that the evaluation/judgement might depend upon: – don't know how efficient production is – other factors such as promotion may contribute more to added value – quality of the product important – design of packaging also contributes – convenience to customers important in creating added value – branding and product differentiation may be a greater contribution – difficult to measure contribution of operations Accept all valid responses. Exemplars for awarding evaluation <table border="1"> <thead> <tr> <th>L1 EVAL (limited supporting evidence)</th><th>L2 E (developed supporting evidence)</th><th>L3 EE (developed supporting evidence with context)</th></tr> </thead> <tbody> <tr> <td>Operations is very important to CCL's added value.</td><td>Operations is very important to CCL's added value as the quality of a product helps determine the price that can be charged.</td><td>Operations is very important to CCL's added value as the quality of a product helps determine the price that can be charged. Quality must be ensured at each many processes involved in the transformation of coffee beans to ground coffee.</td></tr> <tr> <td>Product differentiation may be more important than operations.</td><td>Product differentiation may be more important than operations as good marketing is required to sell the products.</td><td>Product differentiation may be more important than operations as good marketing is required to sell the products, in the case of CCL each different coffee product has the same ingredients.</td></tr> </tbody> </table>	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	Operations is very important to CCL's added value.	Operations is very important to CCL's added value as the quality of a product helps determine the price that can be charged.	Operations is very important to CCL's added value as the quality of a product helps determine the price that can be charged. Quality must be ensured at each many processes involved in the transformation of coffee beans to ground coffee.	Product differentiation may be more important than operations.	Product differentiation may be more important than operations as good marketing is required to sell the products.	Product differentiation may be more important than operations as good marketing is required to sell the products, in the case of CCL each different coffee product has the same ingredients.	
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Cambridge International AS & A Level

BUSINESS**9609/22**

Paper 2 Business Concepts

October/November 2024**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 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **38** printed pages.

PUBLISHED**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 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.

PUBLISHED**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).

PUBLISHED**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.

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.

Annotations for RM Assessor

<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Correct		For objective points that are right or wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate)
Incorrect		For objective points that are wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate) Also, incorrect elements of ANY question.
Unclear		When there is a misunderstanding in a response.	Any
Too Vague		When the candidate has attempted something, but the mark/skill has not been awarded.	Any
Highlight	Highlighter Or Underline	To highlight a point or section of an answer that justifies the mark/annotation.	Any
Benefit of doubt		When the candidate has attempted something, and the mark/skill has been awarded.	Any
On page comment	On page comment	Rarely used in live marking. Very useful for practice scripts. To communicate with the supervisor.	Any
Not using text		When the context has not been used.	Q1(b)(ii), Q1(c), Q1(d), Q2(b)(ii), Q2(c), Q2(d).
Seen		To show a page/section has been seen/read.	Any
Not answering question		When the response is not focussed on answering the question.	Any

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<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Repetition	REP	The repetition of a previous point in a response Or Candidate is copying the case study/data.	Any
Own figure rule	OFR	The own figure rule applies – acts as a mark/tick.	Q1(b)(i) and Q2(b)(i)
Knowledge (AO1) L1	K	When AO1 has been awarded. Number of Ks should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Knowledge (AO1) L2			
Application (AO2) L1	APP	When AO2 has been awarded. Number of APPs should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Application (AO2) L2			
Analysis (AO3) L1	AN	When AO3 at Level 1 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Analysis (AO3) L2	DEV	When AO3 at Level 2 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Evaluation (AO4) L1	EVAL	When AO4 at Level 1 has been awarded.	Q1(d) and Q2(d)
Evaluation (AO4) L2	E	When AO4 at Level 2 has been awarded.	Q1(d) and Q2(d)
Evaluation (AO4) L3	EE	When AO4 at Level 3 has been awarded.	Q1(d) and Q2(d)

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Question	Answer	Marks								
1(a)(i)	Identify <u>one</u> promotion method. Indicative content Promotion methods : • advertising/advertisement • sales • direct • digital • packaging • branding Accept only the answers above <i>Do not accept examples of a method (i.e. social media or social media promotion), unless the method is specified (i.e. social media <u>advertising</u>).</i> <i>If more than one answer is given, only mark the first, reading from top left to bottom right.</i>	1								
1(a)(ii)	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.	3
AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks									
	2 marks Developed application of one relevant point to a business context.									
1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.									
0 marks No creditable response.	0 marks No creditable response.									

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Question	Answer	Marks									
1(a)(ii)	Indicative content Definition of capital expenditure: the purchase of non-current assets that are expected to last for more than one year, such as buildings and machinery. AO1 Knowledge and understanding Knowledge of business expenditure K, may include: • Purchasing • Buying • Spending money on • Investing in AO2 Application Explanation of capital expenditure APP may include: • <u>Non-current</u> assets • <u>Fixed</u> assets • Assets expected to last <u>for more than a year/12 months</u> Context applied to capital expenditure way APP, including: • Any example of capital expenditure, including: • Machinery • Property • Factories Accept all valid responses. Guidance in awarding marks <table border="1"> <tr> <td>Knowledge & understanding</td><td>Knowledge of business expenditure</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Application to capital expenditure</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Applied to a business context/ business environment</td><td>1 mark</td></tr> </table>	Knowledge & understanding	Knowledge of business expenditure	1 mark	Explanation	Application to capital expenditure	1 mark	Context	Applied to a business context/ business environment	1 mark	
Knowledge & understanding	Knowledge of business expenditure	1 mark									
Explanation	Application to capital expenditure	1 mark									
Context	Applied to a business context/ business environment	1 mark									

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Question	Answer			Marks
1(a)(ii)	Exemplar and annotations	Marks	Rationale	
	Buying K non-current assets APP , like machinery APP	3	Knowledge of expenditure with explanation of capital and a valid example of something that can be bought using capital expenditure.	
	When a business purchases K things that are likely to be used or owned for more than 12 months APP	2	Knowledge of expenditure and explanation of what capital is.	
	A vehicle APP is an example of capital that is purchased K	2	An example followed by the knowledge of expenditure. Only award if the K is present.	
	Capital expenditure is when a business purchases K capital items, such as a vehicle APP	2	Knowledge of purchasing and an example.	
	Buying K day to day things like inventory	1	The knowledge mark for understanding of expenditure, but the rest of the answer is incorrect – this is revenue expenditure.	
	Capital expenditure is when a business has expenditure on capital items, like machinery.	0	This is a tautology. Although the example is right, they cannot be awarded without K.	

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Question	Answer	Marks
1(b)(i)	Refer to Table 1.1. Calculate the labour turnover rate for PP in 2023. Formula: $\frac{\text{Number of employees who left a business within a time period}}{\text{Total number of employees in a business}} \times 100$ (1) OR $\frac{100 + 14}{450 + 120} \times 100$ (1) $\frac{114}{570} \times 100$ (1) = 20% (3) If the candidate calculates each division's labour turnover, award one mark for each correct answer, to a maximum of two marks in total. $\frac{100}{450} \times 100 = 22.22\%$ (1) (accept 22.2 (recurring*), 22.2 and 22 i.e. any correct rounding) $\frac{14}{120} \times 100 = 11.67\%$ (1) (accept 11.66 (recurring*), 11.67, 11.7 or 12 – i.e. any correct rounding) Do not accept 11.6 or 11.66 (incorrect rounding) Answer of 0.2 should be awarded 2 marks with working. <i>A recurring number can be shown as a dot above the recurring number i.e. 11.6 or three dots after the recurring number i.e. 22.2</i>	3

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Question	Answer			Marks
1(b)(i)	Examples and annotations			
	Marks			
	3 marks	Correct answer 20% or 20	Working and % sign do not matter.	
	2 marks	Both of the following: - Formula - Correctly calculated employees who left (114) AND correctly calculated total employees (570) OR An incorrect answer with one mistake allowing OFR for final stage. OR Candidate has correctly calculated the labour turnover for both divisions (Growing 22.22% and Retail 11.67%) OR An answer of 0.2 (candidate did not multiply by 100) with appropriate working.	To award two marks, there must be - Two ✓ and a ✗ OR - One ✓, one ✗ and one OFR	
	1 mark	One of the following: - Correct formula - Correctly calculated employees who left (114) AND correctly calculated total employees (570) OR Candidate has correctly calculated the labour turnover for one division (Growing 22.22% and Retail 11.67%)	To award one mark, there must be: One ✓ and two ✗	
	0 marks	No creditable content.	To award zero marks, there must be One ✗	

Question	Answer	Marks								
1(b)(ii)	Explain <u>one</u> possible impact on PP of its employees being trade union members.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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	0 marks No creditable response.		0 marks No creditable response.							
Indicative content										
AO1 Knowledge and understanding Knowledge of trade union involvement  (max 1 mark), including: Positive, including: • collective bargaining • job security • higher wages • increased employee welfare • better working conditions • communication between employers and employees Negative, including: • industrial action (strikes, work to rule etc.) • loss of productive time • increased costs										
AO2 Application Explanation of why Trade Union involvement will have an impact on PP  (max 1 mark), including: • collective bargaining; may mean higher wages for employees • job security; workers are less likely to leave • higher wages; avoid a strike										

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Question	Answer	Marks									
1(b)(ii)	- increased employee welfare; which the business has to pay for - better working conditions; because of collective bargaining - communication between employers and employees; improving coordination Negative impacts, including: - industrial action (strikes, work to rule etc.); to improve working conditions - loss of productive time; reducing the businesses ability to manufacture products - increased costs; from increased wages. Context applied to an impact of trade union involvement at PP APP (max 1 mark), including: - The growing division has 100% trade union membership – which may mean more impacts (positive and negative) - The retail division has only 25% trade union membership – which may mean employees do not share the same impacts (positive and negative). 450 employees from the growing division are trade union members – but only 30 employees from the retail division are trade union members. - In total 480 employees are trade union members – which is 84% (rounded) of the entire workforce. - The salary for the growing division may be higher – than the salary for the retail division. - PP is a private limited company 12 large shops in in countryside within country Q with fields near the shops. - Outsourcing used in retail division, not (as far as is known) in farming division. Accept all valid responses. Guidance in awarding marks <table border="1"> <tr> <td>Knowledge & understanding</td><td>Knowledge of trade union involvement</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of an impact on PP from trade union involvement</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Context linked to an impact on PP of trade union involvement</td><td>1 mark</td></tr> </table>	Knowledge & understanding	Knowledge of trade union involvement	1 mark	Explanation	Explanation of an impact on PP from trade union involvement	1 mark	Context	Context linked to an impact on PP of trade union involvement	1 mark	
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Explanation	Explanation of an impact on PP from trade union involvement	1 mark									
Context	Context linked to an impact on PP of trade union involvement	1 mark									

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Question	Answer			Marks
1(b)(ii)	Exemplar and annotations	Marks	Rationale	
	An impact may be from collective bargaining K , which may mean PP has to pay increased wages APP . This will have a big impact on the Growing division which has 100% trade union membership APP	3	An impact of trade union membership is collective bargaining, and this impact can increase wages for the explanation. The context is applied to this impact.	
	One impact is that workers may insist on better working conditions K for the 570 employees APP .	2	An impact identified and context applied to this.	
	Collective bargaining K could lead to higher wages APP .	2	Both higher wages and collective bargaining are their own impacts, but the candidate has linked the two together here, so they have identified and explained (but no context).	
	Impacts include a strike K or workers picketing REP or better wages REP or increased costs REP .	1	Four impacts here, but they are not linked at all and so the first is awarded, but the others are REP.	
	Trade unions are a group of employees representing the interests of its members.	0	No impact here, so 0 marks. Not knowledge of Trade Union involvement – only a definition of a Trade Union	

Question	Answer				Marks
1(c)	Analyse <u>one</u> advantage and <u>one</u> disadvantage to PP of outsourcing the manufacture of pots.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

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Question	Answer	Marks
1(c)	Indicative content AO1 Knowledge and understanding Knowledge of an advantage of outsourcing K (max 1 mark – annotate on left) including: • Improved focus on the core business activities • Increased efficiency • Controlling/low costs • Increased capacity • Improve quality • Access to specific skills. Knowledge of a disadvantage of outsourcing K (max 1 mark – annotate on right), including: • Loss of control over production process • Lack of control of quality • Reliance on an external stakeholder • Lack of flexibility • Delays/extra transportation may be inevitable. AO2 Application Context applied to an advantage APP (max 1 mark) and disadvantage APP (max 1 mark) of outsourcing to PP, including: • PP is a private limited company – limited liability, finance etc. • Sells potted plants in ceramic or clay pots – integral to product. • 12 large shops in countryside within country Q with fields near the shops. • Variety of pricing methods – requires a range of cheap to expensive priced products. • Outsourcing used in retail division, not (as far as is known) in farming division. • Use of Table 1.1 • CC is based in the same country as PP. • PP would like more variety from CC but CC does not want to afford the capital expenditure. • CC has a lead time of three days. • FF makes plastic pots in a large factory in country S (different country to PP). • FF uses mass customisation, producing any size and colour of pot. • FF has a lead time of one month.	

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Question	Answer	Marks									
1(c)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV candidate shows two or more links in the chain of analysis or a two-sided analysis. Advantages of outsourcing, including: • Improved focus on the core business activities; lower costs – increased profit. • Increased efficiency; higher quantity of products – increased sales revenue. • Controlling costs (with CC); more cash available to overcome labour turnover problems in farming division. • Increased flexibility (with FF); better customer satisfaction – increased sales. • Improve quality; fewer defective pots – improved customer satisfaction. • Access to specific skills; better presentation of PP plants – increased sales. Disadvantages of outsourcing, including: • Loss of control over production process; may lead to poorer quality control – increased costs. • Reliance on an external stakeholder; relatively long lead times – reduced customer satisfaction. • Lack of flexibility; less able to respond to changes in customer demand – lower sales. • Delays may be inevitable (beyond the lead time); poor customer satisfaction – reduced sales revenue. • Likely to have a higher cost (due to having to cover CC or FF's profit margin); increased prices – lower sales, Accept all valid responses. Exemplars and annotations <table border="1"> <thead> <tr> <th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr> </thead> <tbody> <tr> <td>Outsourcing can reduce PPs capital expenditure K</td><td>to produce plastic and clay pots APP</td><td>This allows PP to spend on other areas of the business such as marketing AN which could increase demand for its pots DEV.</td></tr> <tr> <td>The pots will need to be transported to PP K</td><td>and FF is in another country APP.</td><td>Which could increase PP's costs AN and lead to lower profits DEV.</td></tr> </tbody> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	Outsourcing can reduce PPs capital expenditure K	to produce plastic and clay pots APP	This allows PP to spend on other areas of the business such as marketing AN which could increase demand for its pots DEV .	The pots will need to be transported to PP K	and FF is in another country APP .	Which could increase PP's costs AN and lead to lower profits DEV .	
AO1 Knowledge	AO2 Application	AO3 Analysis									
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The pots will need to be transported to PP K	and FF is in another country APP .	Which could increase PP's costs AN and lead to lower profits DEV .									

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Question	Answer					Marks
1(d)	Evaluate the importance to PP of workforce planning.					12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	
	3				5–6 marks Developed evaluation in context • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.	
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.	

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Question	Answer					Marks
1(d)	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
	Indicative content AO1 Knowledge and understanding Knowledge of the use and/or contents of a workforce plan  (max 2 marks). Uses of a workforce plan, including: • analysing the current workforce, • determining future workforce needs, • identifying the gap between the workforce you will have available and your future needs, • implementing solutions so that an organisation can accomplish its mission, goals, and strategic plan. Contents of a workforce plan, including: • number of workers/employees required • skills required • skill gap analysis • likely future human resource (HR) requirements • action plan to achieve business human resource objectives • demographic changes • talent management					

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Question	Answer	Marks
1(d)	AO2 Application Context applied to knowledge of workforce planning to PP APP (max 2 marks), including: • PP is a private limited company. • Both the farming and retail divisions rely on human resources. • 12 large shops in countryside within country Q with fields near the shops. • Variety of pricing methods – may increase skills needed in retail workers. • Outsourcing used in retail division, not (as far as is known) in farming division. May involve communication skills. • Use of Table 1.1. AO3 Analysis <i>Limited analysis AN - candidate shows one link in the chain of analysis.</i> <i>Developed analysis DEV - candidate shows two or more links in the chain of analysis.</i> • Analysing the current workforce; both divisions are likely to require skilled workers including; Farming – agricultural, chemicals, managerial, manual – all of which have a cost associated – reduced profitability. Retail – customer services, managerial, marketing – some of which may be in high supply in country Q – reduced wages – increased profitability. • Determining future workforce needs; to maintain market share in what is likely to be a competitive market. • Determining future workforce needs; both divisions are likely to be labour intensive (especially retail) – increases PP's ability to operate in a competitive market. • Identifying the gap between the workforce you will have available and your future needs; farming division may require new product development – increased USP – increased sales. • Implementing solutions so that an organisation can accomplish its mission, goals, and strategic plan; to increase future growth/survival/profitability.	

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Question	Answer	Marks									
1(d)	AO4 Evaluation <i>Limited evaluation</i> EVAL – unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> E – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context. • A judgement over importance to PP of workforce planning. • Evaluation of the relative importance of different factors. • Elements that the evaluation/judgement might depend upon – cost of the labour as a proportion of the total costs of the product/sales, which division is being planned for, the labour market in country Q, dynamism of the potted plant market in country Q, the USP of PP, PP's competitors. Accept all valid responses. Exemplars for awarding evaluation <table border="1"> <thead> <tr> <th>L1 EVAL (limited supporting evidence)</th><th>L2 E (developed supporting evidence)</th><th>L3 EE (developed supporting evidence with context)</th></tr> </thead> <tbody> <tr> <td>Workforce planning is very important to PP.</td><td>Workforce planning is very important to PP because it is a large business with many employees that are essential to the success of the business.</td><td>Workforce planning is very important to PP because it is a large business with 570 employees that are essential to the success of the business.</td></tr> <tr> <td>The importance of workforce planning depends on the local economy.</td><td>The importance of workforce planning depends on the local economy. For example, if there was high unemployment, then PP might easily replace workers, without the need to plan.</td><td>The importance of workforce planning depends on the local economy. For example if there was high unemployment near PP's 12 retail shops, then PP might easily replace workers, without the need to plan.</td></tr> </tbody> </table>	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	Workforce planning is very important to PP.	Workforce planning is very important to PP because it is a large business with many employees that are essential to the success of the business.	Workforce planning is very important to PP because it is a large business with 570 employees that are essential to the success of the business.	The importance of workforce planning depends on the local economy.	The importance of workforce planning depends on the local economy. For example, if there was high unemployment, then PP might easily replace workers, without the need to plan.	The importance of workforce planning depends on the local economy. For example if there was high unemployment near PP's 12 retail shops, then PP might easily replace workers, without the need to plan.	
L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)									
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Question	Answer	Marks								
2(a)(i)	Identify <u>one</u> stage of the product life cycle. Indicative content: Stages  include: • Development/research/testing/initial design • Introduction/launch • Growth • Maturity/saturation • Decline. Accept only the answers above <i>If more than one answer is given, only mark the first, reading from top left to bottom right.</i>	1								
2(a)(ii)	Explain the term <i>limited liability</i> (line 1). <table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.	3
AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks									
	2 marks Developed application of one relevant point to a business context.									
1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.									
0 marks No creditable response.	0 marks No creditable response.									

Question	Answer	Marks									
2(a)(ii)	Indicative content AO1 Knowledge and understanding Knowledge of limited liability K (max 1 mark), including: - Limited liability is a legal status where a person's financial commitment/responsibility is restricted to a fixed sum - Only a set amount of money invested is at risk - Personal assets are not at risk - Only business assets are at risk AO2 Application Explanation of limited liability APP (max 1 mark), including: - Protects shareholders/investors - Creates a separate legal identity (for a business) - Most commonly limited to the value of a person's investment - Can be linked to debt - Also applies to legal actions (i.e. suing a business) Context applied to limited liability APP (max 1 mark), including: - An example of a type of business that has limited liability, including: Private limited company (allow Ltd) Public limited company (allow PLC, Inc. or Corp) Limited liability partnership Incorporated business Accept all valid responses. Guidance in awarding marks <table border="1"> <tr> <td>Knowledge and understanding</td><td>Knowledge of limited liability</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of limited liability</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Applied to a business context/business environment</td><td>1 mark</td></tr> </table>	Knowledge and understanding	Knowledge of limited liability	1 mark	Explanation	Explanation of limited liability	1 mark	Context	Applied to a business context/business environment	1 mark	
Knowledge and understanding	Knowledge of limited liability	1 mark									
Explanation	Explanation of limited liability	1 mark									
Context	Applied to a business context/business environment	1 mark									

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Question	Answer			Marks
2(a)(ii)	Exemplar and annotations	Marks	Rationale	
	The most an owner could lose is the amount they invested K which protects investors APP within businesses such as private limited company APP .	3	Clear knowledge of limited liability/risk, with the protection as explanation and a private limited company an example of a type of business that has limited liability.	
	Shareholders personal wealth is protected APP because they can only lose the sum of money that they invested K , for example McDonalds has limited liability as a public limited company APP .	3	The explanation comes first, followed by the knowledge and an example.	
	TDC must be either a PLC or Ltd APP to have limited liability. Only the amount invested is at risk K .	2	The example comes first, followed by the knowledge.	
	Only the funds invested are at risk K .	1	Knowledge only.	
	Limited liability means that shareholders are protected in case of financial difficulty.	0	There is no knowledge of limited liability here, so no other marks can be awarded.	

Question	Answer		Marks															
2(b)(i)	Refer to Table 2.2 and other information. Calculate the variance between TDC’s budgeted revenue and actual revenue for 2023. State whether the variance is favourable or adverse. Variance = actual revenue – budgeted revenue (1) \$400m – \$340m = \$60m (1) Adverse (1) Answer = \$60m adverse (3) \$60m (award 2 marks – without adverse). Exemplar and annotations <table><tr><th>Marks</th><th></th><th></th></tr><tr><td>3 marks</td><td>Correct answer \$60m adverse (allow 60 adverse or 60 unfavourable or –60 adverse)</td><td>Working, \$ and millions (m) do not matter. Do not accept a minus sign (–) as adverse.</td></tr><tr><td>2 marks</td><td>Correct calculation of size of variance (i.e. \$60m or –\$60m) OR An incorrect answer with one mistake allowing OFR for final stage.</td><td>To award two marks, there must be • Two ✓ and a ✗ OR • One ✓ , one ✗ and one OFR</td></tr><tr><td>1 mark</td><td>One of the following: • Correct formula • Identification of numbers (i.e. 400 and 340)</td><td>To award one mark, there must be: • One ✓ and two ✗</td></tr><tr><td>0 marks</td><td>No creditable content.</td><td>To award zero marks, there must be • One ✗</td></tr></table>		Marks			3 marks	Correct answer \$60m adverse (allow 60 adverse or 60 unfavourable or –60 adverse)	Working, \$ and millions (m) do not matter. Do not accept a minus sign (–) as adverse.	2 marks	Correct calculation of size of variance (i.e. \$60m or –\$60m) OR An incorrect answer with one mistake allowing OFR for final stage.	To award two marks, there must be • Two ✓ and a ✗ OR • One ✓ , one ✗ and one OFR	1 mark	One of the following: • Correct formula • Identification of numbers (i.e. 400 and 340)	To award one mark, there must be: • One ✓ and two ✗	0 marks	No creditable content.	To award zero marks, there must be • One ✗	3
Marks																		
3 marks	Correct answer \$60m adverse (allow 60 adverse or 60 unfavourable or –60 adverse)	Working, \$ and millions (m) do not matter. Do not accept a minus sign (–) as adverse.																
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Question	Answer	Marks								
2(b)(ii)	Explain <u>one</u> possible benefit to TDC of using budgets.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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	0 marks No creditable response.		0 marks No creditable response.							
Indicative content										
AO1 Knowledge and understanding										
Knowledge of a benefit  of budgeting (max 1 mark), including:										
• Coordinates activities • To control finances/spending • To assist with planning • To monitor performance • Translate objectives into strategy. • Translate strategy into tactics. • Provide a record of organisational activities • Can improve communication • Improve resources allocation • Improve efficiency • Provides a tool for corrective action • Compare different areas of the business • To help achieve objectives.										

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Question	Answer	Marks									
2(b)(ii)	AO2 Application Explanation of a benefit of using budgets APP (max 1 mark), including: - Coordinates activities; between functional areas of the business - To control finances/spending; by allocating appropriate resources to different areas of the business - To monitor performance; by doing a variance analysis - Translate objectives into strategy; to make sure the objective is met - Translate strategy into tactics; to make the strategy is implemented - Provide a record of organisational activities; for later comparison - Can improve communication/coordination; by giving financial targets - Improve resources allocation; by giving a quantitative target - Improve efficiency; by allocating finances to different areas of the organisation - Provides a tool for corrective action; when actual and budgeted are compared - Compare different areas of the business; to improve communication/coordination Context applied to a limitation of using budgets for TDC APP (max 1 mark) including: - Use of answer to Q2bi (\$60m – OFR) - Revenue was \$360m in 2023 compared with a budget of \$400m. - TDC's objective to reduce the cost of raw materials (by 2025) - TDC's objective to increase market share by 10%.of B2C market (by 2025) - TDC's product areas – VKola, Vtropical, VOrange and VLeomon. - Use of Table 2.1 - Possible merger between HL and TDC - Use of Table 2.2 Accept all valid responses. Guidance in awarding marks <table border="1"> <tr> <td>Knowledge and understanding</td><td>Knowledge of a benefit of using budgets</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of a benefit of using budgets</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Context linked to a benefit of using budgets</td><td>1 mark</td></tr> </table>	Knowledge and understanding	Knowledge of a benefit of using budgets	1 mark	Explanation	Explanation of a benefit of using budgets	1 mark	Context	Context linked to a benefit of using budgets	1 mark	
Knowledge and understanding	Knowledge of a benefit of using budgets	1 mark									
Explanation	Explanation of a benefit of using budgets	1 mark									
Context	Context linked to a benefit of using budgets	1 mark									

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Question	Answer			Marks
2(b)(ii)	Exemplar and annotations	Marks	Rationale	
	A benefit of using a budget is that it allows a business to efficiently allocate its resources K by allocating specific sums of money to different products APP like TDC allocating money to VKola APP .	3	A benefit showing knowledge and then explained for the first APP. The example is from the context so APP awarded.	
	It helps TDC to monitor its own performance K by doing a variance analysis APP to show adverse variances such as the \$60m revenue variance APP .	3	A benefit showing knowledge and then explained for the first APP. The example is from the context so APP awarded.	
	Provides a financial plan K for each product like VOrange that TDC produces APP	2	Knowledge and context, but no explanation of how a financial plan is a benefit.	
	Budgets can improve efficiency K , and monitor performance and be used to help TDC achieve its objectives.	1	There are three benefits here, but all are only K. None are explained or contextualised.	
	TDC has a \$60m adverse variance when they did the budget. This means that the revenue was lower than expected, which is bad for TDC.	0	There is no knowledge of a benefit of budgets here, so the context cannot be awarded.	

Question	Answer				Marks
2(c)	Analyse <u>two</u> ways in which TDC could use the Boston Matrix analysis in Table 2.1.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

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Question	Answer	Marks
2(c)	Indicative content AO1 Knowledge and understanding Knowledge of uses of Boston Matrix K, such as: • To analyse the breadth/specialisation of a business's product portfolio • To manage/change its product portfolio • To Identify best/worst performing product • To identify opportunities for growth/investment • To identify opportunities for product development/new products • To allocate resources/budget effectively (between products) • To enable business to move ?/problem child to stars • To ensure business to move stars to cash cows • To enable business to launch new products • To enable business to avoid dogs • To help a business plan for the future sales/product development/achieve objectives <i>The Boston Matrix is also referred to as the BCG Matrix.</i> AO2 Application Context applied to a use of the Boston Matrix APP (max 2 marks), including: • Vkola – Star (high market growth, high market share) • VTropical – question mark/problem child (high market growth, low market share) • VOrange – Dog (low market growth, low market share) • VLemon – Cash Cow (low market growth, high market share) • Recent commissioned primary market research into TDC's product portfolio • TDC's objectives: - to increase TDC's profit margin by reducing the cost of raw materials - to increase TDC's market share of the business to consumer (B2C) market for carbonated drinks. • To provide data to HL about the business to facilitate the merger • Use of Table 2.2 • TDC is a multinational business	

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Question	Answer	Marks									
2(c)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV candidate shows two or more links in the chain of analysis or a two-sided analysis. Annotate first way on left and second way on right) Analysis of using the Boston Matrix, including: - To analyse the breadth/specialisation of a business's product portfolio; only four products within TDC's portfolio, may mean the business will need to increase its product portfolio – to increase sales. - To analyse the breadth/specialisation of a business's product portfolio; to identify dogs for withdrawal from the market – unlikely to add to business revenue. - To enable business to move? to stars; to focus marketing spend on increasing VTropical's market share (to a star) – to increase revenue – to increase profit. - To ensure business to move stars to cash cows; to reduce marketing spend on VKola (to a cash cow) as the market has lower growth – to reduce costs – to increase profitability. - To enable business to launch new products – to replace VTropical as it increases its market share – to increase sales – to increase profit. - To enable business to avoid dogs; suggest that VOrange may be a dog and TDC should reduce marketing spend (or discontinue the product) – to decrease overall costs of TDC – increase profit. Accept all valid responses. Exemplars and annotations <table border="1"> <thead> <tr> <th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr> </thead> <tbody> <tr> <td>To see which products are performing poorly K.</td><td>For example VOrange is a dog APP.</td><td>Which may lead to TDC discontinuing VOrange AN and replacing it with a product which may have a larger market share DEV.</td></tr> <tr> <td>To identify stars K</td><td>Like VKola APP</td><td>Which will require high levels of promotion AN which may mean they develop into a cash cow for TDC. DEV.</td></tr> </tbody> </table>	AO1 Knowledge	AO2 Application	AO3 Analysis	To see which products are performing poorly K .	For example VOrange is a dog APP .	Which may lead to TDC discontinuing VOrange AN and replacing it with a product which may have a larger market share DEV .	To identify stars K	Like VKola APP	Which will require high levels of promotion AN which may mean they develop into a cash cow for TDC. DEV .	
AO1 Knowledge	AO2 Application	AO3 Analysis									
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To identify stars K	Like VKola APP	Which will require high levels of promotion AN which may mean they develop into a cash cow for TDC. DEV .									

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Question	Answer					Marks
2(d)	Evaluate whether the planned merger with HL will enable TDC to achieve its objectives.					12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	
	3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.	
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.	

Question	Answer					Marks
2(d)	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
	Indicative content AO1 Knowledge and understanding Knowledge of mergers , including: - A type of business acquisition that describes the consolidation of two or more businesses or the assets of those businesses, including the joining of two firms, acquisition of a firm’s assets (including intellectual capital), consolidations, tender offers, purchase of inventory, and management combination. - Benefits of a merger, including: - Shared resources - May reduce costs - Avoids duplication of resources - Speedy way to grow - Removes competition. Knowledge of business objectives, including: - Business objectives are the specific and measurable, achievable, resourced and time-based results that businesses hope to reach. About giving a business a direction. Business strategy enables a business to reach its objectives.					

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Question	Answer	Marks
2(d)	AO2 Application Context applied to TDC and HL merging APP (max 2 marks), including: • Use of Table 2.1, including: Vkola – Star VTropical – question mark VOrange – Dog VLemon – Cash Cow • Recent commissioned primary market research into TDC’s product portfolio • TDC’s objectives: To increase TDC’s profit margin by reducing the cost of raw materials To increase TDC’s market share of the business to consumer (B2C) market for soft drinks. • Table 2.2 data, including: \$340m revenue for TDC and \$280m for HL – combined revenue of \$620m. \$23.8m profit (7% profit margin) for TDC and \$14m (5% profit margin) for HL – combined \$37.8m profit (6.01% combined profit margin– not 12% profit margin) Reduces TDC’s end of year profit margin (as a percentage) assuming no cost savings. Likely to be cost savings by merging production facilities. Different target market segments; TDC convenience shops, supermarkets (retail) whereas HL sells to restaurants, events and hotels (commercial). TDC B2C whereas HL B2B. AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis. Analysis of the impact of a merger on the objectives of a firm, including: • Objective to increase profit margin: Reduce cost of sales – combining production facilities – shared product of soft drinks – increase profitability. Reduce marketing costs – although different target markets, so may not be possible. Reduce overlap of managerial positions – especially middle management – increase profitability. Combination of brand names – may further reduce marketing costs – increase profitability. Opens up a new market B2B for TDC – increase sales – increase profit (but not profit margin). However, also likely to increase costs, including the actual costs of the merger – reduce profitability (in the short run). Unlikely to increase profit by % by the end of 2024 – year almost over. Do not have information about the product portfolio of HL – likely to be some overlap which may reduce profitability.	

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Question	Answer	Marks
2(d)	- Objective to increase market share: HL is targeting the B2B market – opens new market opportunities for TDC beyond the B2C market. By focussing on a new target market, TDC is unlikely to increase market share – more likely to reduce market share (as market size increases). Reduces the level of competition within the soft drinks market. AO4 Evaluation <i>Limited evaluation</i> EVAL – unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> E – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context. - A judgement whether the planned merger with HL will enable TDC to achieve either or both objectives (reduce profit/profit margin and increase market share). Judgement must be linked to objectives and/or TDC's specific objectives). - Evaluation of the likelihood of the merger reaching one of the objectives (over the other). - Elements that the evaluation/judgement might depend upon – external environment, economic conditions, competitive structure of the soft drinks market, timescale of the objectives, strategies already implemented by the Board of Directors, product portfolio of HL etc. Accept all valid responses.	

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Question	Answer			Marks
2(d)	Exemplars for awarding evaluation			
	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	
	Yes, the merger will help TDC achieve its objective	Yes, the merger will help TDC achieve its objective by quickly increasing productive capacity enabling it to increase its sales.	Yes, the merger will help TDC achieve its objective by quickly increasing productive capacity enabling it to increase its sales and market share.	
	No, it won't help TDC achieve its objective	No, it won't help TDC achieve its objective because the businesses do not have the same target market.	No, it won't help TDC achieve its objective of increasing market share because the businesses do not have the same target market.	
	Whether the merger will help achieve the objectives depends on TDC having the finance to fund the merger.	Whether the merger will help achieve the objectives depends on TDC having the finance to fund the merger, such as the money to make some unnecessary employees redundant.	Whether the merger will help achieve the objectives depends on TDC having the finance to fund the merger, such as the money to make some unnecessary employees redundant, if the combined target market remains B2C, then some of HL's sales employees might be redundant.	

Cambridge International AS & A Level

BUSINESS**9609/23**

Paper 2 Business Concepts 2

October/November 2024**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 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **37** printed pages.

PUBLISHED**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 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.

PUBLISHED**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).

PUBLISHED**3 Calculation questions:**

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Subject Specific Marking Principles for point-based marking**1 Using point-based marking:**

Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion. From this it follows that we:

- DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning, unless the mark scheme requires a specific term.
- DO credit alternative answers/examples which are not in the mark scheme if they are correct.
- DO credit answers where candidates give more than one correct answer where extended writing is required rather than short/list-type answers.
- DO NOT credit answers simply for using a key term unless that is all that is required. (Check for evidence it is clearly understood and used correctly.)
- DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities. For questions that require n reasons, e.g. State two reasons..., mark only the first two answers given, not any two that are correct out of a longer list.
- DO NOT give further credit for what is effectively repetition of a correct point already credited or to 'mirror' statements. For example, a response that includes: 'A business owner would benefit from limited liability as it would protect their personal possessions.' and 'If a business owner did not have limited liability they could lose everything.', cannot both be rewarded in answer to one question.
- DO NOT require spellings to be correct, it is not part of the test. However, spellings of business terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused, e.g. offshore/outsource or effective/efficient.

2 Presentation of mark scheme:

- Questions are in bold text.
- Possible responses are in normal text in a bulleted list.
- Marks are rewarded based on the table provided for each question.
- Possible responses are listed under the appropriate Assessment Objective.
- Slashes (/) separate alternative ways of making the same point.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark.

4 Annotation:

- Every response must have a minimum of one annotation.
- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers.
- For questions where only AO1 and AO2 are rewarded, there is a direct relationship between ticks and marks.
- For levels of response marking, the first time level 1 is achieved, L1 is annotated on the response. If/when level 2 is achieved, L2 should be used, etc.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who mark that paper.

Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives**AO1 Knowledge and understanding**

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application

Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation

Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Annotations for RM Assessor

<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Correct		For objective points that are right or wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate)
Incorrect		For objective points that are wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate) Also, incorrect elements of ANY question.
Unclear		When there is a misunderstanding in a response.	Any
Too Vague		When the candidate has attempted something, but the mark/skill has not been awarded.	Any
Highlight	Highlighter Or Underline	To highlight a point or section of an answer that justifies the mark/annotation.	Any
Benefit of doubt		When the candidate has attempted something, and the mark/skill has been awarded.	Any
On page comment	On page comment	Rarely used in live marking. Very useful for practice scripts. To communicate with the supervisor.	Any
Not using text		When the context has not been used.	Q1(b)(ii), Q1(c), Q1(d), Q2(b)(ii), Q2(c), Q2(d)
Seen		To show a page/section has been seen/read.	Any
Not answering question		When the response is not focused on answering the question.	Any

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<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Repetition	REP	The repetition of a previous point in a response Or Candidate is copying the case study/data.	Any
Own figure rule	OFR	The own figure rule applies – acts as a mark/tick.	Q1(b)(i) and Q2(b)(i)
Knowledge (AO1) L1	K	When AO1 has been awarded. Number of Ks should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Knowledge (AO1) L2			
Application (AO2) L1	APP	When AO2 has been awarded. Number of APPs should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Application (AO2) L2			
Analysis (AO3) L1	AN	When AO3 at Level 1 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Analysis (AO3) L2	DEV	When AO3 at Level 2 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Evaluation (AO4) L1	EVAL	When AO4 at Level 1 has been awarded.	Q1(d) and Q2(d)
Evaluation (AO4) L2	E	When AO4 at Level 2 has been awarded.	Q1(d) and Q2(d)
Evaluation (AO4) L3	EE	When AO4 at Level 3 has been awarded.	Q1(d) and Q2(d)

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Question	Answer	Marks
1(a)(i)	Identify <u>one</u> potential risk to a business Indicative content Responses may include: • lack or loss of customers/demand/reputation/image • financial – poor cashflow management/unexpected costs/low profits • competition – new competitors/new more superior competing products/new substitutes • IT failure/cyber-attack/supply chain disruption/pandemic/economic factors • operational/compliance/legal/strategic risks • changing external factors, e.g. poor economic climate • inexperienced managers • bankruptcy/insolvency/business failure Accept all valid responses.	1

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Question	Answer	Marks								
1(a)(ii)	Explain the term <i>national business</i> (line 2).	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
	0 marks No creditable response.		0 marks No creditable response.							
	Indicative content									
	AO1 Knowledge and understanding									
	Knowledge of <u>national</u> business K , may include:									
	• in one country • within a country • only one country • only domestic									
AO2 Application										
Explanation of a <u>national business</u> APP may include:										
• the business only sells products (in one country) / sell • the business only operates (within a country) / trading • customers from (only one country) • (only domestic) target market / not worldwide or global										

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Question	Answer	Marks									
1(a)(ii)	Context applied to national business APP, including: - any example of a national business, e.g. retailer with branches in one country - an example of a benefit or cost of being a national business Application can be made to BB/CC or any other scenario/context/business/person Do not reward vague answers, e.g. business that operates nationwide Accept all valid responses. Guidance in awarding marks <table border="1"> <tr> <td>Knowledge & understanding</td><td>Knowledge of a national business</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of a national business</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Applied to a business context/business environment</td><td>1 mark</td></tr> </table>	Knowledge & understanding	Knowledge of a national business	1 mark	Explanation	Explanation of a national business	1 mark	Context	Applied to a business context/business environment	1 mark	
Knowledge & understanding	Knowledge of a national business	1 mark									
Explanation	Explanation of a national business	1 mark									
Context	Applied to a business context/business environment	1 mark									

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Question	Answer	Marks
1(b)(i)	Refer to Table 1.1. Calculate the total cost for the 25-year period of using hire purchase if Brenda chooses to use flow production. Indicative content 1 mark for the formula for calculating the hire purchase cost (words or figures) 1 mark for calculating the hire purchase cost per year / number of months over the 25-year period 1 mark for calculating the hire purchase cost over the 25-year period - Hire purchase cost = (cost per month $\times$ 12 months) $\times$ 25 years - Hire purchase cost over a 25-year period $= \\$600 \times 12 \text{ months} = \\$7200$ $= \\$7200 \times 25 \text{ years}$ $= \\$180\,000$ Answer = \$180 000 (3)	3

Question	Answer			Marks
1(b)(i)	Marks			
	3 marks	Correct answer \$180 000 allow 180 000	Working and units do not matter. Must be three ✓ to denote the three marks.	
	2 marks	One of the following: - Correct formula for the hire purchase cost over a 25-year period (figures or words) AND ONE OF - Correct calculation of the hire purchase cost per year (\$7200) OR - Correct calculation of the number of months over the 25-year period ($12 \times 25 = 300$ months) - Incorrect answer with one mistake allowing OFR for the final stage, e.g. 180	To award two marks, there must be - Two ✓ and a ✗ OR - One ✓, one ✗ and one OFR	
	1 mark	One of the following: - Correct formula for the hire purchase cost over a 25-year period (figures or words) OR - Correct calculation of the hire purchase cost per year (\$7200) OR - Correct calculation of the number of months over the 25-year period ($12 \times 25 = 300$ months)	To award one mark, there must be: One ✓ and two ✗	
	0 marks	No creditable content.	To award zero marks, there must be One ✗	

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Question	Answer		Marks
1(b)(ii)	Explain <u>one</u> advantage for BB of using hire purchase as a source of finance.		3
	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks	
		2 marks Developed application of one relevant point to a business context.	
	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	
	0 marks No creditable response.	0 marks No creditable response.	
	Indicative content		
	AO1 Knowledge and understanding		
	- fixed monthly repayments - own the product after the final payment is made (unlike leasing) - can budget as know the fixed monthly repayment - business does not have to make a large initial cash payment - long timescale to finance the asset		
	AO2 Application		
	APP can be awarded for a further development of the AO1 point		
Use of context/data related to HP as a source of finance for BB:			
Machinery (\$)	\$100 000 capital cost – mass production	\$500 per month over a 20-year period	
	\$150 000 capital cost – batch production	\$600 per month on a 25-year period	

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Question	Answer	Marks									
1(b)(ii)	• used all savings • featured in a government promotion • dynamic business environment • new business <i>Application for the second APP mark must be made to BB and cannot be generic</i> No reward for reference to interest payments leading to BB paying more than the purchase cost of the asset as it is a disadvantage. Accept all valid responses. Guidance in awarding marks <table> <tr> <td>Knowledge & understanding</td><td>Knowledge of an advantage of the use of hire purchase</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of an advantage of the use of hire purchase</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Applied to a business context/business environment</td><td>1 mark</td></tr> </table>	Knowledge & understanding	Knowledge of an advantage of the use of hire purchase	1 mark	Explanation	Explanation of an advantage of the use of hire purchase	1 mark	Context	Applied to a business context/business environment	1 mark	
Knowledge & understanding	Knowledge of an advantage of the use of hire purchase	1 mark									
Explanation	Explanation of an advantage of the use of hire purchase	1 mark									
Context	Applied to a business context/business environment	1 mark									

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Question	Answer				Marks
1(c)	Analyse <u>two</u> limitations for BB of creating a business plan.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

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Question	Answer	Marks
1(c)	Indicative content AO1 Knowledge and understanding Knowledge of limitations to BB of creating a business plan K (max 2 marks – annotate first limitation on left and second limitation on right) including: • requires skill to produce a business plan • require experience to produce a business plan • waste/use of resources to create business plan, e.g. time, financial • opportunity cost of producing a business plan • could create a false sense of certainty • based on estimates/predictions • may lead entrepreneurs to be inflexible/reduce creativity – new opportunities may arise that are not in the plan, and could be overlooked/rejected • cannot account for changes in the external environment Do not reward vague answers, e.g. poorly written or inaccurate data. AO2 Application Context applied to a limitation of BB creating a business plan APP (max 2 marks), including: • BB is a newly established enterprise • Brenda is inexperienced • no sales data • social enterprise • dynamic business environment • many businesses have recently failed • recycle low-cost waste to help the poorest in society • any financial data from Table 1.1 • CC is keen to invest to improve its own corporate social image	

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Question	Answer	Marks
1(c)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV candidate shows two or more links in the chain of analysis or a two-sided analysis. Limitations may include: • requires skill, experience and understanding to produce a business plan which Brenda does not have may make errors with the market research/predictions – may lead to CC not investing in the project • waste/use of resources to create business plan, e.g. time, financial; which could be used on other tasks in the business – leading to reduced profits/revenue • could create a false sense of certainty; leading to poor decisions – business failure • based on estimates/predictions which may be inaccurate; leads to a shortfall in funds – banks may not be willing to increase investment • inflexibility; BB may miss out on new opportunities – limit growth potential/profitability Accept all valid responses.	

Question	Answer					Marks
1(d)	Evaluate whether BB should use flow production to produce bricks.					12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	
	3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.	
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

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Question	Answer	Marks
1(d)	Indicative content AO1 Knowledge and understanding Knowledge of the features of flow production K (max 2 marks), including: • continuous production/24–7 • mass production • higher productivity • suited to identical/standardised products (no changes/undifferentiated)/lack of flexibility • automation • high purchase cost • use of machinery/technology • machines need to be maintained • large quantities of output AO2 Application Context applied to features of flow production APP (max 2 marks), including: • BB is a newly established enterprise • no sales data • social enterprise • dynamic business environment • many businesses have recently failed • recycle low-cost waste • any financial data from Table 1.1 • CC is keen to invest to improve its own corporate social image • BB's target market are the poorest in society/citizens on low incomes • mass production produces one standard brick/batch production creates a variety of sizes of bricks according to customer preferences • one size of brick used in 80% of house construction	

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Question	Answer	Marks
1(d)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis. • higher productivity; increased efficiency – increase profitability • mass production; higher market share – increased revenue and profits for future growth • the standard brick is used in 80% of house construction – potential for a large share of the market – market leadership • higher productivity; economies of scale/reduced unit cost of production – can lower prices for customers • higher purchase cost; larger source of finance needed to purchase outright – increased cost of borrowing/less funds available for future expansion • higher purchase cost per month; higher monthly expenses – increased cash outflow • cannot change the design of the brick; reduced customer satisfaction – reduced market share as customers move to competitors with more choice AO4 Evaluation <i>Limited evaluation</i> EVAL – unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> E – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context. • a judgement over whether BB should use flow production to produce bricks • what the judgement might depend upon; the amount of investment and level of risk CC is prepared to accept for a new social enterprise, the likely requirements of the target market, the ability and skill of the end users and the lifespan of the machinery. • weighing up of the arguments for flow production on the success of the social enterprise Accept all valid responses.	

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Question	Answer			Marks
1(d)	Exemplars for awarding evaluation			
	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	
	BB should use flow production.	BB should use flow production because a higher number of bricks can be produced per hour.	BB should use flow production because 100 bricks can be produced per hour which is 60 more per hour than batch production.	
	No, batch production is better than flow production.	No, batch production is better than flow production because a variety of brick sizes can be made leading to greater customer satisfaction.	No, batch production is better than flow production because a variety of brick sizes can be made leading to greater customer satisfaction. 20% of house construction do not use the standard brick size so these customers' needs would otherwise be unmet.	
	Flow production should be used by BB.	Flow production should be used by BB as the higher productivity will enable the business to generate more revenue.	Flow production should be used by BB as the higher productivity will enable the business to generate more revenue, which can be used to cover the \$600 hire purchase cost per month.	

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Question	Answer	Marks
2(a)(i)	Identify <u>one</u> feature of a franchise. Indicative content Knowledge of one feature of a franchise including: • the legal right/contract for another business to use the: name; logo; marketing methods • need to follow franchisor's requirements • franchise fee • share of profits (royalty fee) to franchisor • trades under an established brand name • franchisee has access to training/support • franchisee cannot make decisions without franchisor's approval Accept all valid responses.	1

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Question	Answer	Marks								
2(a)(ii)	Explain the term <i>market share</i> (line 6).	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
	0 marks No creditable response.		0 marks No creditable response.							
	Indicative content Responses may include:									
	formula (2 marks) market share = $\frac{\text{sales of the business/product}}{\text{total market sales}} \times 100$									
	AO1 Knowledge and understanding the sales of a specific business/product									
	AO2 Application comparison to the sales in the total market									
Application to a business context:										
- way of comparing the size of a business against its competitors - shows the amount of ‘power/influence’ that the business has in the market/market dominance										

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Question	Answer	Marks									
2(a)(ii)	• an increased market share gives the business more power, e.g. price setter • the business with the highest market share is the market leader • selling 25 franchise licenses helped VB increase its market share in country X • VB added vegan pizza to its menu to gain a higher market share of the fast-food market • example of a market leader to illustrate market share, e.g. Tesco is the market leader of the UK supermarket industry so has the highest market share <i>Application can be made to VB or any other scenario/context/business/person. Allow application to market share.</i> Accept all valid responses. Guidance in awarding marks <table border="1"> <tr> <td>Knowledge & understanding</td><td>Knowledge of market share</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of market share</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Applied to a business context/ business environment</td><td>1 mark</td></tr> </table>	Knowledge & understanding	Knowledge of market share	1 mark	Explanation	Explanation of market share	1 mark	Context	Applied to a business context/ business environment	1 mark	
Knowledge & understanding	Knowledge of market share	1 mark									
Explanation	Explanation of market share	1 mark									
Context	Applied to a business context/ business environment	1 mark									

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Question	Answer	Marks
2(b)(i)	Refer to table 2.1. Calculate VB's breakeven level of output per month per restaurant. Indicative content 1 mark for the formula for breakeven (words or figures) OR correct calculation for the contribution per unit 1 mark for formula for breakeven (words or figures) AND calculating the contribution per unit 1 mark for calculating the breakeven level of output per month per restaurant (OFR) • formula: fixed costs / contribution per unit (1) • calculation of fixed costs and contribution per unit (1) – fixed costs: \$1000 – contribution per unit: selling price per unit (\$6) – variable cost per unit (\$2) \$4 • calculation of the breakeven level of output per month per restaurant – \$1000/\$4 – BE level of output: 250 per month (1 OFR) • answer = 250 (units) (3) Accept all valid responses.	3

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Question	Answer			Marks
2(b)(i)	Marks			
	3 marks	Correct answer 250 (units) allow 250	Working and units do not matter. Must be three ✓ to denote the three marks.	
	2 marks	Both of the following: Correct formula for the breakeven output (words or figures) AND Correct calculation of the contribution per pizza OR An incorrect answer for the breakeven output with one mistake allowing OFR for final stage.	To award two marks, there must be • Two ✓ and a ✗ OR • One ✓ , one ✗ and one OFR	
	1 mark	One of the following: Correct formula for the breakeven output (words or figures) OR Correct calculation of the contribution per pizza	To award one mark, there must be: • One ✓ and two ✗	
	0 marks	No creditable content.	To award zero marks, there must be • One ✗	

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Question	Answer	Marks								
2(b)(ii)	Explain <u>one</u> reason for VB to have accurate cost information.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
	0 marks No creditable response.		0 marks No creditable response.							
	Indicative content									
	AO1 Knowledge and understanding									
	- to calculate profit or loss - to make pricing and business decisions - to predict cashflow - to measure performance - to set budgets - to allocate resources									
	AO2 Application									
Explanation of a reason for VB to have accurate cost information										
- APP can be awarded for development of the AO1 point, e.g. - to calculate profit or loss; requires a business to know its costs/revenues - to make pricing and business decisions; so that costs are covered - to predict cashflow; by considering accurate outflows - to measure performance; by analysing how costs change over time - to set budgets; in line with predicted expenditure - to allocate resources; so that the business knows what it is paying out for										

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Question	Answer	Marks									
2(b)(ii)	Context applied to VB of a reason for accurate cost information: • each pizza is sold for \$6 with a contribution of \$4 • fixed costs per month of \$1000 • breakeven output is 250 pizzas per month • any data from Table 2.1 • objective changed from developing brand awareness to increasing market share • franchise • Patel's Pizza is a competing business • VB ran a six-month national television marketing campaign to promote the new vegan pizza <i>Application for the second APP mark must be made to VB and not generic.</i> Accept all valid responses. Guidance in awarding marks <table border="1"> <tr> <td>Knowledge and understanding</td><td>Knowledge of a reason for accurate cost information</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of a reason for accurate cost information</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Applied to a business context/business environment</td><td>1 mark</td></tr> </table>	Knowledge and understanding	Knowledge of a reason for accurate cost information	1 mark	Explanation	Explanation of a reason for accurate cost information	1 mark	Context	Applied to a business context/business environment	1 mark	
Knowledge and understanding	Knowledge of a reason for accurate cost information	1 mark									
Explanation	Explanation of a reason for accurate cost information	1 mark									
Context	Applied to a business context/business environment	1 mark									

Question	Answer				Marks
2(c)	Analyse <u>two</u> benefits for VB of on-the-job training.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

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Question	Answer	Marks
2(c)	Indicative content AO1 Knowledge and understanding Knowledge of on-the-job training (max of 1 mark if no benefit of on-the-job training) Knowledge of benefits of on-the-job training K (max 2 marks – annotate first benefit on left and second benefit on right) including: • provided by managers or experienced colleagues – so trainers use first-hand experience to train • methods include demonstration/instruction/coaching/job rotation • low cost/off-the-job training is not needed • learn while doing the actual job • employee will produce output whilst training • training in a live/real situation • training tailored to working at VB • the employee will get to know colleagues • the employee will learn about the organisational culture AO2 Application Context applied to a benefit for on-the-job training APP (max 2 marks), including: • breakeven output is 250 pizzas per month • any data from Table 2.1 • objective changed from developing brand awareness to increasing market share • franchise • vegan pizza has been sold by VB for two years • each restaurant sells on average 500 pizzas and 4500 burgers per month • Patel's Pizza is a competing business • VB ran a six-month national television marketing campaign to promote the new vegan pizza	

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Question	Answer	Marks
2(c)	AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV candidate shows two or more links in the chain of analysis or a two-sided analysis. • on-the-job training is cheaper than off-the-job training; low risk – increase profits • utilise trainers from within the business; motivates the employees chosen to do the training – increased productivity/reduced labour turnover • increases productivity; employees trained while working – increases revenue/profits • tailored to the needs of VB; trains on the specific machinery used/menu served – less induction training needed • trainee will get to know colleagues whilst training; better team working – better customer service/customer satisfaction Accept all valid responses.	

Question	Answer					Marks
2(d)	Evaluate whether VB should continue to market vegan pizza.					12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks	
	3				5–6 marks Developed evaluation in context - A developed judgement/conclusion is made in the business context. - Developed evaluative comments which balance some key arguments in the business context.	
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation - A developed judgement/conclusion is made. - Developed evaluative comments which balance some key arguments.	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation - A judgement/conclusion is made with limited supporting comment/evidence. - An attempt is made to balance the arguments.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

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Question	Answer	Marks
2(d)	Indicative content AO1 Knowledge and understanding Knowledge of marketing K (max 2 marks), including: - the marketing mix (four Ps) – getting the right product at the right price to the right place and making customers aware of it using the right promotional methods - market research - the nature of marketing AO2 Application Context applied to features of marketing APP (max 2 marks), including: - established vegan burger chain – USP for high quality, good value vegan burger meals - featured on a documentary for successful entrepreneurs in country X - breakeven output is 250 pizzas per month - any data from Table 2.1 - objective changed from developing brand awareness to increasing market share - franchise - primary market research two years ago found pizza was a popular fast food - vegan pizza has been sold by VB for two years - each restaurant sells on average 500 pizzas and 4500 burgers per month - profit for vegan pizza is \$1000 per month ($\\$500 \text{ per month} \times 4 = \\$2000 - \\$1000 \text{ fixed cost}$) - Patel's Pizza is a competing business - VB ran a six-month national television marketing campaign to promote the new vegan pizza AO3 Analysis <i>Limited analysis</i> AN – candidate shows one link in the chain of analysis. <i>Developed analysis</i> DEV – candidate shows two or more links in the chain of analysis. Possible impacts of continuing to market vegan pizza, including: - pizza is a popular fast food – VB has a USP for high quality, good value vegan meals – may gain a higher market share – increase revenues	

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Question	Answer	Marks
2(d)	• VB restaurants sell 500 pizzas per month – loyal customers – removing the vegan pizza from the menu may upset loyal customers – could reduce overall sales revenue • Patel's Pizza may capitalise on the vegan trend – pizza is their USP – VB may lose market share – reduce overall profits • changing to hot desserts means that the pizza ovens need to be repurposed – expensive to change – reducing profits • demand for hot desserts is unknown whereas two years ago primary market research stated that pizza was a popular fast food – little demand for hot desserts – reduced sales revenue Possible impacts of not continuing to market vegan pizza, including: • VB vegan pizzas need more marketing to be successful – increased cost – reduced profitability (if revenue does not increase by a sufficient amount to offset the increased cost) • 90% of VB's sales are burgers – pizza only accounts for 10% of sales – pizza reduces brand identity – reduced market share • hot desserts complement the main burger meal – increased demand for burgers as customers can enjoy a complete meal – increased market share • market share/investment into marketing campaign for pizza is lost – reduces offering – could lead to a negative impact on entrepreneurial success – impact on personal reputation • new marketing campaign may be needed to support the launch of the hot desserts – may be added to the franchise fee – could lead to loss of franchises – reduction in the number of outlets AO4 Evaluation <i>Limited evaluation</i> EVAL - unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> E – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> EE – supported judgement in context and/or reasonable evaluative comment in context. • a judgement over whether VB should continue to market vegan pizza. • a judgement over the most likely/important impacts of continuing/not continuing to market vegan pizza • what the judgement might depend upon, including the importance of current trends, levels of customer loyalty, impact on USP and reputation, impact of competition, appetite of franchisees for more training costs/increased marketing, impact of potential loss of reputation Accept all valid responses.	

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Question	Answer			Marks
2(d)	Exemplars for awarding evaluation			
	L1 EVAL (limited supporting evidence)	L2 E (developed supporting evidence)	L3 EE (developed supporting evidence with context)	
	VB should continue to market vegan pizza.	VB should continue to market vegan pizza because it has spent money purchasing pizza making equipment in each of its restaurants which would be wasted if it withdrew from the market.	VB should continue to market vegan pizza because it has spent money purchasing pizza making equipment in each of its restaurants which would be wasted if it withdrew from the market. The business currently sells 500 pizzas per month which is likely to grow as it takes more than two years to become an established pizza seller.	
	VB should not continue to market vegan pizza.	VB should not continue to market vegan pizza and sell hot desserts which complement the main burger meal and therefore attract new customers seeking a complete meal to VB.	VB should not continue to market vegan pizza and sell hot desserts which complement the main burger meal and therefore attract new customers seeking a complete meal to VB. Patel's Pizzas is more popular and VB cannot compete with this business.	
	Whether VB continues to market vegan pizza depends upon its level of experience.	Whether VB continues to market vegan pizza depends upon its level of experience. VB is experienced in vegan food.	Whether VB continues to market vegan pizza depends upon its level of experience. VB is experienced in vegan food. The capital expenditure for pizza making equipment was low so the business will not lose a lot of money by withdrawing from the pizza market.	



Cambridge International AS & A Level

BUSINESS

9609/11

Paper 1 Business Concepts 1

October/November 2024

1 hour 15 minutes



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
 - Section A: answer **all** questions.
 - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

- 1 (a) Define the term *zero budgeting*. [2]
 (b) Explain **one** cause of a favourable variance. [3]
- 2 (a) Define the term *sampling*. [2]
 (b) Explain **one** method of interpreting quantitative market research data. [3]
- 3 (a) Define the term *résumé*. [2]
 (b) Explain **one** reason why a business may produce a workforce plan. [3]
- 4 Analyse **one** benefit to a business of improving capacity utilisation. [5]

Section B

Answer **one** question only.

EITHER

- 5 (a) Analyse **two** limitations to a business of using a business plan. [8]
 (b) 'A chocolate manufacturer should use external methods of growth to successfully achieve its objectives.'
 Evaluate this view. [12]

OR

- 6 (a) Analyse **two** reasons why an employee's human needs may not be satisfied at work. [8]
 (b) 'Non-financial motivators are the most effective methods of motivating a hotel's employees.'
 Evaluate this view. [12]

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Cambridge International AS & A Level

BUSINESS

9609/12

Paper 1 Business Concepts 1

October/November 2024

1 hour 15 minutes



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INFORMATION

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- The number of marks for each question or part question is shown in brackets [].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

- 1 (a) Define the term *external stakeholders*. [2]
 (b) Explain **one** way the aims of employees may impact on the decisions of a business. [3]
- 2 (a) Define the term *full costing*. [2]
 (b) Explain **one** limitation of contribution costing. [3]
- 3 (a) Define the term *dynamic pricing*. [2]
 (b) Explain **one** reason why a business might use price discrimination. [3]
- 4 Analyse **one** way employee development could be used by a business to encourage intrapreneurship. [5]

Section B

Answer **one** question only.

EITHER

- 5 (a) Analyse **two** reasons why a business should measure labour productivity. [8]
 (b) Evaluate whether the sustainability of operations is the most important operational factor in a large retail distribution business. [12]

OR

- 6 (a) Analyse **two** benefits to a business of customer relationship marketing. [8]
 (b) 'Market research is essential for effective product development in a hotel.'
 Evaluate this view. [12]

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Cambridge International AS & A Level

BUSINESS

9609/13

Paper 1 Business Concepts 1

October/November 2024

1 hour 15 minutes



You must answer on the enclosed answer booklet.

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INSTRUCTIONS

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Section B: answer **one** question.
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INFORMATION

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This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

- 1 (a) Define the term *labour turnover*. [2]
 (b) Explain **one** implication for a business of having a low rate of labour turnover. [3]
- 2 (a) Define the term *product differentiation*. [2]
 (b) Explain **one** reason why product development might be important for a business. [3]
- 3 (a) Define the term *government grant*. [2]
 (b) Explain **one** advantage of using retained earnings as a source of business finance. [3]
- 4 Analyse **one** likely impact on a business of outsourcing its production process. [5]

Section B

Answer **one** question only.

EITHER

- 5 (a) Analyse **two** reasons why a business might decide to grow internally (organically). [8]
 (b) 'Even a friendly merger between two social media companies may not be successful.'
 Evaluate this view. [12]

OR

- 6 (a) Analyse **two** reasons why a business might use external recruitment. [8]
 (b) Evaluate whether the contribution of the managers in a new hospital will have the most influence on its performance. [12]

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BUSINESS

Paper 2 Business Concepts 2

1 hour 30 minutes

You will need: Answer booklet (enclosed)

- Answer **all** questions.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [].

[Turn over

1 Farm Equipment (FE)

FE is a public limited company based in country Z, where the primary sector accounts for 40% of all employees. Farm produce from country Z is sold to many other countries.

FE manufactures a range of farm equipment such as tractors and machinery. It sells its products to large farms. Farmers have remained loyal despite the availability of lower-cost farm equipment. FE's current market share in country Z is 8%. However, the market for farm equipment in country Z is growing and FE forecasts an increase in its market share, as shown in Table 1.1.

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Table 1.1 The market for farm equipment in country Z

Year	2023 (\$m)	2024 (forecast) (\$m)
Market size	285	310
FE's revenue	22.8	29.45

10

Chuzi, FE's Managing Director, would like to develop new types of farm equipment. Chuzi recently appointed Lin, an intrapreneur tasked with developing new products.

FE's employees would like to join a trade union as they have low morale. They believe that management do not consider the welfare of the workforce. The employees feel that they have a poor work-life balance. FE does not offer any training and development opportunities. The management style is autocratic.

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BL, a multinational farm equipment manufacturer, has recently located a factory close to FE. The management at FE is concerned about the impact of this on its human resource management (HRM).

20

- (a) (i) Identify **one** feature of the primary sector. [1]
- (ii) Explain the term *intrapreneur*. [3]
- (b) (i) Refer to Table 1.1 and other information. Calculate the forecast change in FE's market share between 2023 and 2024. [3]
- (ii) Explain **one** benefit to FE of product development. [3]
- (c) Analyse **two** roles that FE has in the development of country Z. [8]
- (d) Evaluate the likely impact on FE's HRM of the new BL factory. [12]

2 Coffee Company Local (CCL)

CCL is a family business in country Y. It manufactures and sells coffee powder, which is used to make coffee drinks.

To make coffee powder CCL transforms coffee beans purchased from primary sector businesses into a fine powder. To make the powder, CCL roasts the beans, then grinds them into large pieces. Hot water is added to these large pieces, which transforms them into a liquid. When this liquid is cool, it is frozen and broken into tiny pieces that form the coffee powder. The coffee powder is then put in jars.

5

CCL uses product differentiation when selling the jars of coffee, as shown in Table 2.1.

Table 2.1 CCL's coffee products

Product	Description	Boston matrix analysis	Forecast proportion of total revenue (2024)
A	CCL's own brand	Cash cow	29%
B	A national supermarket's own label product	Question mark	30%
C	Quality product sold in a niche market	Question mark	15%
D	Non-branded product sold to wholesalers	Cash cow	26%

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In 2023 CCL's total revenue was \$10 million. Total revenue is forecast to increase by 10% in 2024.

The owners are concerned about CCL's long-term future, given the position of each product within the Boston Matrix.

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The market for coffee products in country Y is forecast to grow by 25% over the next five years. CCL would like to increase the added value of its coffee products to benefit from the forecast market growth.

- (a) (i) Identify **one** strength of a family business. [1]
- (ii) Explain the term *niche market*. [3]
- (b) (i) Refer to Table 2.1 and other information. Calculate the forecast total revenue of product C in 2024. [3]
- (ii) Explain **one** benefit to CCL of using a budget. [3]
- (c) Analyse **one** advantage and **one** disadvantage to CCL of using Boston Matrix analysis. [8]
- (d) Evaluate the importance of operations to CCL's added value. [12]

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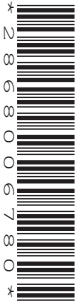
BUSINESS

9609/22

Paper 2 Business Concepts 2

October/November 2024

1 hour 30 minutes



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **all** questions.
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INFORMATION

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This document has **4** pages. Any blank pages are indicated.

1 Pot Plants (PP)

PP is a private limited company that grows and sells plants in pots. PP has 12 large shops in country Q and uses a variety of promotion methods. The shops are located in the countryside and PP owns large fields near each shop where the plants are grown. The business is split into two divisions: growing and retail. Table 1.1 shows some human resource data about the divisions.

5

Table 1.1: Human resource data about PP's divisions

	Growing	Retail
Average workforce for the year	450	120
Number of employees who left in 2023	100	14
Trade union membership	100%	25%
Payment methods	Salary and piece rate	Salary and commission

10

PP's plants are all sold in plastic or clay pots. The manufacture of these pots is outsourced between two businesses.

- Clay Containers (CC) manufactures clay pots in one size and one colour using flow production. CC is based in country Q. PP would like a larger variety of pots, but CC does not want to pay the capital expenditure that this would require. CC has a lead time of three days for PP's pots. 15
- Fantastic Flexible (FF) manufactures plastic pots in a large factory in country S. The use of mass customisation means that it can produce any size and colour of pot. The lead time is one month for PP's pots. 20

- (a) (i) Identify **one** promotion method. [1]
- (ii) Explain the term *capital expenditure* (line 16). [3]
- (b) (i) Refer to Table 1.1. Calculate the labour turnover rate for PP in 2023. [3]
- (ii) Explain **one** possible impact on PP of its employees being trade union members. [3]
- (c) Analyse **one** advantage and **one** disadvantage to PP of outsourcing the manufacture of pots. [8]
- (d) Evaluate the importance to PP of workforce planning. [12]

2 The Drink Company (TDC)

TDC is a multinational carbonated drinks manufacturer with limited liability.

TDC had budgeted that its annual revenue would be \$400m for the year ended 2023.

In 2023, TDC commissioned some primary market research to analyse its product portfolio using the Boston Matrix (see Table 2.1).

Table 2.1: Boston Matrix analysis

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Market growth %	Market share %	
	High	Low
	High  VKola	 VTropical
Low	 VLemon	 VOrange

10

The Board of Directors has set two objectives for TDC to achieve by the end of 2025:

- to increase TDC's profit margin by reducing the cost of raw materials
- to increase TDC's market share of the business to consumer (B2C) market for carbonated drinks.

15

As part of its business plan to achieve these objectives, TDC is now merging with one of its main competitors, Harvest Liquids (HL). Table 2.2 shows some data about TDC and HL.

Table 2.2: Data about TDC and HL in 2023

	TDC	HL
Revenue	\$340m	\$280m
Profit for the year	\$23.8m	\$14m
Targeted market segment	Teenagers and young adults	Restaurants, events and hotels
Type of market	Consumer market (B2C)	Industrial market (B2B)

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- (a) (i) Identify **one** stage of the product life cycle. [1]
- (ii) Explain the term *limited liability* (line 1). [3]
- (b) (i) Refer to Table 2.2 and other information. Calculate the variance between TDC's budgeted revenue and actual revenue for 2023. State whether the variance is favourable or adverse. [3]
- (ii) Explain **one** possible benefit to TDC of using budgets. [3]
- (c) Analyse **two** ways in which TDC could use the Boston Matrix analysis in Table 2.1. [8]
- (d) Evaluate whether the planned merger with HL will enable TDC to achieve its objectives. [12]

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BUSINESS

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[Turn over

1 Brenda's Bricks (BB)

BB is a newly established social enterprise in country X. It was set up by Brenda. Brenda has no experience of running a national business, but she used all her savings to recruit a team of young intrapreneurs.

Country X specialises in recycling plastic waste from other countries. It has a dynamic business environment and many businesses have recently failed.

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Brenda saw an opportunity to recycle low-cost plastic waste into construction bricks. These could be used to help the poorest in society to build waterproof houses.

BB recently featured in a government promotion highlighting successful innovators. BB has trialled the method using job production and needs investment to produce its bricks commercially. A large national business, CC, is keen to invest in community projects to improve their corporate social image. CC needs to see a business plan before making a decision.

10

Brenda has started to investigate the costs of production for the business plan that CC has requested. (See Table 1.1.)

Table 1.1: Data about BB's costs and methods of production

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	Batch production	Flow production
Purchase cost	\$100 000 capital cost	\$150 000 capital cost
Hire purchase cost	\$500 per month over a 20-year period	\$600 per month over a 25-year period
Output	A variety of sizes manufactured to customer preferences	One size of brick used in 80% of house construction
Manufacturing time	Average 40 bricks per hour	100 bricks per hour

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- (a) (i) Identify **one** potential risk to a business. [1]
- (ii) Explain the term *national business* (line 2). [3]
- (b) (i) Refer to Table 1.1. Calculate the total cost for the 25-year period of using hire purchase if Brenda chooses to use flow production. [3]
- (ii) Explain **one** advantage for BB of using hire purchase as a source of finance. [3]
- (c) Analyse **two** limitations for BB of creating a business plan. [8]
- (d) Evaluate whether BB should use flow production to produce bricks. [12]

2 Vegan Burger (VB)

VB is an established vegan burger chain in country X. Its Unique Selling Point (USP) is high quality, good value vegan meals. Hilda, the Managing Director, grew the business without external investment and within 5 years had 10 restaurants in the north of country X.

VB was featured in a documentary exploring successful entrepreneurs in country X. This boosted VB's national brand awareness. As a result, VB changed its objective from developing brand awareness to increasing market share. VB chose a franchise model to meet this objective. VB sold 25 franchise licenses in country X in 5 years.

Two years ago, primary market research indicated pizza was a popular fast food in country X. VB added vegan pizza to its menu. Each pizza oven had a significant capital cost and required on-the-job training of the employees. VB invested in a six-month national television marketing campaign to promote the new menu item. Table 2.1 shows the financial data for producing pizzas.

Table 2.1 Financial data for producing pizzas

	per restaurant (\$)
Fixed costs per month	1 000
Average variable costs per pizza	2
Average selling price per pizza	6

Vegan pizza has been sold by VB for two years. Tony, the Business Development Manager, provided sales data for these two years. Each restaurant sells on average 500 pizzas and 4500 burgers per month. Tony is worried that Patel's Pizza, an established pizza franchise, is more popular.

Tony has suggested removing pizza from the menu and repurposing the pizza ovens to cook hot desserts such as apple pies that complement the main burger meal. Hilda wants to continue marketing vegan pizza, as vegan food is currently very popular and the brand needs time and more marketing to be successful.

- (a) (i) Identify **one** feature of a franchise. [1]
- (ii) Explain the term *market share* (line 6). [3]
- (b) (i) Refer to Table 2.1. Calculate VB's breakeven level of output per month per restaurant. [3]
- (ii) Explain **one** reason for VB to have accurate cost information. [3]
- (c) Analyse **two** benefits for VB of on-the-job training. [8]
- (d) Evaluate whether VB should continue to market vegan pizza. [12]

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