



Rewarding Learning

**ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2015**

Business Studies

Assessment Unit AS 2

assessing

Managing Business Resources

[AT121]

WEDNESDAY 17 JUNE, AFTERNOON

**MARK
SCHEME**

General Marking Instructions

Introduction

Mark schemes are published to assist teachers and students in their preparation for examinations. Through the mark schemes teachers and students will be able to see what examiners are looking for in response to questions and exactly where the marks have been awarded. The publishing of the mark schemes may help to show that examiners are not concerned about finding out what a student does not know but rather with rewarding students for what they do know.

The Purpose of Mark Schemes

Examination papers are set and revised by teams of examiners and revisers appointed by the Council. The teams of examiners and revisers include experienced teachers who are familiar with the level and standards expected of students in schools and colleges.

The job of the examiners is to set the questions and the mark schemes; and the job of the revisers is to review the questions and mark schemes commenting on a large range of issues about which they must be satisfied before the question papers and mark schemes are finalised.

The questions and the mark schemes are developed in association with each other so that the issues of differentiation and positive achievement can be addressed right from the start. Mark schemes, therefore, are regarded as part of an integral process which begins with the setting of questions and ends with the marking of the examination.

The main purpose of the mark scheme is to provide a uniform basis for the marking process so that all the markers are following exactly the same instructions and making the same judgements in so far as this is possible. Before marking begins a standardising meeting is held where all the markers are briefed using the mark scheme and samples of the students' work in the form of scripts. Consideration is also given at this stage to any comments on the operational papers received from teachers and their organisations. During this meeting, and up to and including the end of the marking, there is provision for amendments to be made to the mark scheme. What is published represents this final form of the mark scheme.

It is important to recognise that in some cases there may well be other correct responses which are equally acceptable to those published: the mark scheme can only cover those responses which emerged in the examination. There may also be instances where certain judgements may have to be left to the experience of the examiner, for example, where there is no absolute correct response – all teachers will be familiar with making such judgements.

- 1 (a) Explain what is meant by succession planning, using an example from the case study to illustrate your answer.

An important role of the human resource department is ensuring that the organisation has the correct staff to enable it to perform effectively. Management in B&M would need to analyse the current employment needs of the business and forecast the future demand for employees and predicting labour turnover.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of the term succession planning.	[2] Candidate makes good application of the term succession planning.
Level 1	[1] Candidate demonstrates some understanding of the term succession planning.	[1] Candidate attempts to make some application of the term succession planning.
Level 0	[0] Candidate demonstrates no understanding of the term succession planning.	[0] No attempt at application of the term succession planning.

[4]

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AVAILABLE
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(b) Explain two benefits to B&M Retail Ltd of using non-monetary methods of motivation.

- Non-monetary motivation strategies will allow B&M to reward workers for a minimum financial outlay, e.g. uniforms can be bought in bulk and distributed to workers across the UK at a low cost. The uniform (given free of charge) will give staff a sense of identity and encourage greater teamwork.
- B&M can build a good reputation for being a 'caring' employer by providing a training and development programme for staff.
- Workers will feel more valued, as B&M provide a staffroom and refreshments and this will encourage greater loyalty.
- Motivation strategies will help retain workers and B&M can avoid the costs associated with recruitment and selection.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of the benefits of non-monetary motivation strategies.	[2] Candidate makes good application of the benefits of non-monetary motivation strategies.
Level 1	[1] Candidate demonstrates some understanding of the benefits of non-monetary motivation strategies.	[1] Candidate attempts to make some application of the benefits of non-monetary motivation strategies.
Level 0	[0] Candidate demonstrates no understanding of the benefits of non-monetary motivation strategies.	[0] No attempt at application of the benefits of non-monetary motivation strategies.

[4]

4

AVAILABLE
MARKS

(c) Analyse the benefits of induction training to a business such as B&M Retail Ltd.

- An induction helps new recruits to get off to a good start within the organisation.
- Workers will feel more confident and valued so B&M will retain them.
- Health & Safety training will create greater awareness of worker/ employer responsibility for making the working environment safer.
- It will reduce the risk of accidents so B&M will have fewer claims for compensation.
- Customer service training will increase customer satisfaction and encourage repeat business for B&M.
- Training on tills will reduce queues so B&M customers will receive a speedy, efficient service.
- Fewer financial mistakes will be made by staff using the tills so there will be fewer complaints from customers.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]	AO3 Analysis [4]
Level 2	[2] Candidate demonstrates good understanding of the benefits of induction training.	[2] Candidate makes good application of the benefits of induction training.	[4]–[3] Good analysis of the benefits of induction training.
Level 1	[1] Candidate demonstrates some understanding of the benefits of induction training.	[1] Candidate attempts to make some application of the benefits of induction training.	[2]–[1] Some analysis of the benefits of induction training.
Level 0	[0] Candidate demonstrates no understanding of the benefits of induction.	[0] No attempt at application of the benefits of induction.	[0] No analysis of the benefits of induction.

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AVAILABLE
MARKS

- (d) Discuss the advantages and disadvantages to B&M Retail Ltd of having a centralised organisation structure.

Advantages

- Decisions will be made by the most senior managers so this reduces the risk of mistakes across B&M stores.
- Greater control is maintained over lots of outlets – B&M have 330 stores with plans to increase this to 600 in the future.
- Decision making is quicker and can be implemented at the one time across the 330 B&M stores.
- It is easier to implement common policies and practices across the organisation for, e.g. pricing and stock issues.
- B&M can benefit from economies of scale, e.g. bulk buying, distribution and marketing.
- Avoids the duplication of functions and facilities and so minimises B&M's costs.

Disadvantages

- Lack of authority for individual store managers may be de-motivating and may eventually lead to higher labour turnover. This could increase costs for B&M.
- Centralisation ignores the importance of local knowledge that store managers may have as they are closer to customer's needs.
- Can increase bureaucracy.
- Slow decision making – in context of 330 stores.

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	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the advantages and disadvantages of a centralised organisation structure.	N/A	[3] Candidate demonstrates excellent analysis of the advantages and disadvantages of a centralised organisation structure.	[4] Candidate gives an excellent evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[2] Candidate demonstrates good understanding of the advantages and disadvantages of a centralised organisation structure.	[2] Candidate makes good application of the advantages and disadvantages of a centralised organisation structure.	[2] Candidate gives good analysis of the advantages and disadvantages of a centralised organisation structure.	[3]–[2] Candidate gives a good evaluation of the arguments presented and forms a final judgement. QWC is good.
Level 1	[1] Candidate demonstrates some understanding of the advantages and disadvantages of a centralised organisation structure.	[1] Candidate attempts to make some application of the advantages and disadvantages of a centralised organisation structure.	[1] Candidate demonstrates some analysis of the advantages and disadvantages of a centralised organisation structure.	[1] Candidate attempts some evaluation of the arguments presented and forms a final judgement. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the advantages and disadvantages of a centralised organisation structure.	[0] No attempt at application of the advantages and disadvantages of a centralised organisation structure.	[0] No analysis of the advantages and disadvantages of a centralised organisation structure.	[0] Candidate gives no evaluation of the arguments presented or a final judgement. QWC is poor.

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MARKS

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- (e) Evaluate the usefulness of internal recruitment to a business such as B&M Retail Ltd.

Benefits

- It will be a cheaper and quicker process for B&M so this will reduce costs.
- There will be less risk because B&M will already have employment records so an informed decision can be made.
- The applicant is already familiar with the business and its operations so he/she can make a positive input in a shorter period of time.
- It will increase staff morale and encourage people to work harder so they can aspire to a higher position within the organisation.
- It will maintain staff retention rates and increase loyalty.

Drawbacks

- It limits the number of potential candidates that B&M can choose from.
- B&M may miss out on new opportunities/new ideas that only an external applicant can bring.
- An internal appointment can cause resentment among other workers who may feel that they should have been selected thus leading to conflict in the workplace.
- A vacancy further down the organisation may have to be filled so the cost of external recruitment will still have to be met.

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	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the usefulness of internal recruitment.	N/A	[3] Excellent analysis of the usefulness of internal recruitment	[4] Candidate gives an excellent evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[2] Candidate demonstrates good understanding of the usefulness of internal recruitment.	[2] Candidate makes good application of the usefulness of internal recruitment.	[2] Candidate demonstrates good analysis of the usefulness of internal recruitment.	[3]–[2] Candidate gives a good evaluation of the arguments presented and forms a final judgement. QWC is good.
Level 1	[1] Candidate demonstrates some understanding of the usefulness of internal recruitment.	[1] Candidate attempts to make some application of the usefulness of internal recruitment.	[1] Candidate demonstrates some analysis of the usefulness of internal recruitment.	[1] Candidate attempts some evaluation of the arguments presented and forms a final judgement. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the usefulness of internal recruitment.	[0] No attempt at application of the usefulness of internal recruitment.	[0] No analysis of the usefulness of internal recruitment.	[0] Candidate gives no evaluation of the arguments presented or final judgement. QWC is poor.

[12]

12

- 2 (a) Explain what is meant by a job description, using an example from the case study to illustrate your answer.

A job description sets out the purpose of a job and where the job fits into the organisation. It outlines the main duties to be undertaken by the employee for, e.g. the receptionist will have to meet and greet customers and provide product advice.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of the term job description.	[2] Candidate makes good application of the term job description.
Level 1	[1] Candidate demonstrates some understanding of the term job description.	[1] Candidate attempts to make some application of the term job description.
Level 0	[0] Candidate demonstrates no understanding of the term job description.	[0] No attempt at application of the term job description.

[4]

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AVAILABLE
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- (b) Explain what is meant by span of control, using an example from the case study to illustrate your answer.

Span of control refers to the number of people who report to one manager in a hierarchy. Frank originally had a span of control of one but with the new contract this will increase as he has to employ more staff.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of the term span of control.	[2] Candidate makes good application of the term span of control.
Level 1	[1] Candidate demonstrates some understanding of the term span of control.	[1] Candidate attempts to make some application of the term span of control.
Level 0	[0] Candidate demonstrates no understanding of the term span of control.	[0] No attempt at application of the term span of control.

[4]

AVAILABLE
MARKS

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(c) Analyse the impact on Frank's business of getting the new contract. You should support your answer by calculating each of the following:-

(i) Break-even output

(ii) The level of output required to reach a target profit of £7,200 per month.

$$\begin{aligned}
 \text{(i) Break-even output} &= \text{Fixed costs/Contribution} \\
 &= £4,800 / (\text{selling price} - \text{variable cost}) \\
 &= £4,800 / (£2,600 - £2,000) \\
 &= £4,800 / £600 = 8 \text{ shower units}
 \end{aligned}$$

Frank has a break-even output of 8 shower units. This means output has to increase beyond this point for Frank to make a profit.

$$\begin{aligned}
 \text{(ii) Level of output to achieve target profit} &= \frac{\text{Fixed cost} + \text{target profit}}{\text{Contribution per unit}} \\
 &= \frac{£4,800 + £7,200}{£600} \\
 &= 20 \text{ shower units}
 \end{aligned}$$

Frank is ambitious and has set a target profit of £7,200 for the future. This means he needs to know how many shower units have to be produced and sold to achieve this target profit.

Frank is unable to meet the target profit of £7,200 from this new contract which is for just 12 shower units.

To achieve the target profit Frank will have to secure another contract for at least 8 additional shower units.

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	AO1 Knowledge and Understanding [2]	AO2 Application [2]	AO3 Analysis [4]
Level 2	[2] Candidate demonstrates good understanding of the impact of the contract.	[2] Candidate makes good application of the impact of the contract.	[4]–[3] Good analysis of the impact of the contract.
Level 1	[1] Candidate demonstrates some understanding of the impact of the contract.	[1] Candidate attempts to make some application of the impact of the contract.	[2]–[1] Some analysis of the impact of the contract.
Level 0	[0] Candidate demonstrates no understanding of the impact of the contract.	[0] No attempt at application of the impact of the contract.	[0] No analysis of the impact of the contract.

[8]

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AVAILABLE
MARKS

- (d) Discuss the advantages and disadvantages to a business such as Benson's Manufacturing of using interviews as part of the selection process.

AVAILABLE
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Advantages

- It will allow Frank to see the personal presentation of the applicant. This is important as the receptionist may have to deal with customer queries face to face so the business wants to project a professional image.
- It will help Frank assess their communication skills as the person appointed needs to be friendly and competent particularly when dealing with customer orders and invoices.
- It will assist Frank in assessing the applicant's natural enthusiasm for the post, this will be important for delivering a high level of customer service.
- Frank can obtain more detail about information provided by the applicant on the application form.
- Frank can assess how the applicant reacts under pressure.

Disadvantages

- Personal Bias – Frank may have preconceptions therefore the right person may not be appointed.
- An applicant who gives a poor performance through nerves may be dismissed regardless of experience or references.
- Some people 'talk a good story' but perform badly in the job so an interview on its own may be unreliable.
- Frank may be inexperienced in interviewing techniques so he may not ask the correct questions therefore this will affect the outcome.
- Expensive/time-consuming for the business.

N.B.

- (i) Candidates are expected to evaluate both sides of the argument and reach a final judgement.
- (ii) Candidates are expected to evaluate throughout.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the advantages and disadvantages of using interviews.	N/A	[3] Excellent analysis of the advantages and disadvantages of using interviews.	[4] Candidate gives an excellent evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[2] Candidate demonstrates good understanding of the advantages and disadvantages of using interviews.	[2] Candidate makes good application of the advantages and disadvantages of using interviews.	[2] Candidate makes good analysis of the advantages and disadvantages of using interviews.	[3]–[2] Candidate gives a good evaluation of the arguments presented and forms a final judgement. QWC is good.
Level 1	[1] Candidate demonstrates some understanding of the advantages and disadvantages of using interviews.	[1] Candidate attempts to make some application of the advantages and disadvantages of using interviews.	[1] Candidate makes some analysis of the advantages and disadvantages of using interviews.	[1] Candidate attempts some evaluation of the arguments presented and forms a final judgement. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the advantages and disadvantages of using interviews.	[0] No attempt at application of the advantages and disadvantages of using interviews.	[0] No analysis of the advantages and disadvantages of using interviews.	[0] Candidate gives no evaluation of the arguments or final judgement. QWC is poor.

AVAILABLE
MARKS

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- (e) Evaluate the usefulness of break-even analysis to a business such as Bensons's Manufacturing.

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Benefits

- It is useful when studying the relationship between fixed and variable costs. This is important as Frank would need to minimise costs to keep his business competitive.
- It will show Frank how many shower units he needs to produce to break-even.
- It will help Frank decide on a specific pricing strategy for his shower units.
- It will show how changes in costs or prices will impact on sales revenue.
- Frank can calculate the margin of safety so he knows at which point the business may get into difficulty.
- It will be useful for Frank's future planning as he can use the 'What if' concept.
- May be considered as easy to calculate.

Drawbacks

- It is too simplistic as it assumes costs remain the same over each level of output. Frank's variable costs can vary particularly if he receives a discount from bulk buying.
- It also assumes that all output made will be sold. The housing market is still volatile so all the apartments built may not be sold.
- Fixed costs may also increase so they become stepped and this will affect revenue.
- It is based on estimates so there is an element of risk as the data may not be totally accurate.
- May be difficult for a non-specialist to understand.
- May be expensive/time-consuming to undertake.

N.B.

- Candidates are expected to evaluate both sides of the argument and reach a final judgement.
- Candidates are expected to evaluate throughout.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the usefulness of break-even analysis.	N/A	[3] Excellent analysis of the usefulness of break-even analysis.	[4] Candidate gives an excellent evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[2] Candidate demonstrates good understanding of the usefulness of break-even analysis.	[2] Candidate makes good application of the usefulness of break-even analysis.	[2] Candidate makes good analysis of the usefulness of break-even analysis.	[3]–[2] Candidate gives a good evaluation of the arguments presented and forms a final judgement. QWC is good.
Level 1	[1] Candidate demonstrates some understanding of the usefulness of break-even analysis.	[1] Candidate attempts to make some application of the usefulness of break-even analysis.	[1] Candidate makes some analysis of the usefulness of break-even analysis.	[1] Candidate attempts some evaluation of the arguments presented and forms a final judgement. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the usefulness of break-even analysis.	[0] No attempt at application of the usefulness of break-even analysis.	[0] No analysis of the usefulness of break-even analysis.	[0] Candidate gives no evaluation of the arguments or final judgement. QWC is poor.

[12]

Total**AVAILABLE
MARKS**

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80