



*Rewarding Learning*

**ADVANCED**  
**General Certificate of Education**  
**2014**

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**Business Studies**

Assessment Unit A2 2

*assessing*

The Changing Business Environment

**[AT221]**

**TUESDAY 3 JUNE, MORNING**

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**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.

**AO1: Demonstrate knowledge and understanding of concepts and issues relating to the report.**

AVAILABLE  
MARKS

<b>Level 0</b>	<b>[0]</b>	No knowledge and understanding.
<b>Level 1</b>	<b>[1]–[4]</b>	Little knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format. Candidate makes limited use of specialist terms.
<b>Level 2</b>	<b>[5]–[8]</b>	Some knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format. Candidate makes satisfactory use of specialist terms when appropriate.
<b>Level 3</b>	<b>[9]–[12]</b>	Good knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format. Candidate makes good use of specialist terms when appropriate.
<b>Level 4</b>	<b>[13]–[16]</b>	Excellent knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format. Candidate makes excellent use of specialist terms when appropriate.

Candidates cannot achieve the top band if the report is not in an appropriate format.

Report format should be:

**Title** – Boox Ltd – the way forward?

**Aim** – The aim of the report is to examine the main issues related to the strategic direction of Boox Ltd, analyse the current difficulties faced by the business, discuss the proposals put forward by John Reid and his Accountant and draw appropriate conclusions as to whether these proposed strategies are in the best interests of Boox Ltd.

**Introduction** – Should set the scene by briefly describing the current situation relating to Boox Ltd and explain how the report intends to achieve its aims.

**Analysis/Discussion** – This section should highlight the issues involved in the proposed strategy. Issues and implications should be discussed here and connections made between theory and stimulus material. Candidates should evaluate the advantages and disadvantages of the proposed strategy.

**Conclusions/Evaluation** – A final judgement on whether Boox Ltd should follow John Reid's proposal or be sold, should be arrived at. Recommendations should be made to the management team of Boox Ltd based on evidence generated.

Knowledge and understanding demonstrated in this report might include: financial implications, product life cycle, stakeholders, business objectives, social trends, diversification, business ethics, government policies, e-commerce, competitive advantage and corporate social responsibility.

**AO2: Apply knowledge and understanding to problems and issues relating to the report.****AVAILABLE  
MARKS**

<b>Level 0</b>	<b>[0]</b>	No evidence that knowledge and initial understanding has been applied.
<b>Level 1</b>	<b>[1]–[6]</b>	Little evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected. The candidate makes limited use of spelling, punctuation and grammar. The meaning of the text is not always clear. The candidate demonstrates a limited form and style appropriate to the question. The organisation of the answer is limited.
<b>Level 2</b>	<b>[7]–[11]</b>	Some evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected. Candidate demonstrates satisfactory spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the purpose of the question. The answer is organised in a satisfactory manner.
<b>Level 3</b>	<b>[12]–[16]</b>	Good evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected. Candidate demonstrates good spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. The answer is organised in a clear and coherent manner.
<b>Level 4</b>	<b>[17]–[20]</b>	Comprehensive evidence that excellent knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected. Candidate demonstrates excellent spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. The answer is organised in a clear and coherent manner.

Candidates should draw on information presented in the case study. They must apply their knowledge and understanding to select that information relevant in order to analyse the issues and impacts associated with the proposed strategy and evaluate whether this strategy is in the best interests of Boox Ltd. They must also apply their knowledge and understanding to consider recommendations for the management of Boox Ltd.

Information selected might include evidence relating to Boox Ltd, financial data, competition from supermarkets, internet sales and ebooks, recession, problems faced by town centre traders, social responsibility and business objectives.

**AO3: Analyse problems, issues and situations relating to the report.**AVAILABLE  
MARKS

<b>Level 0</b>	<b>[0]</b>	No analysis of the problems, issues and situations.
<b>Level 1</b>	<b>[1]–[5]</b>	Little analysis of the problems, issues and situations relevant to the report. The candidate makes limited use of spelling, punctuation and grammar. The meaning of the text is not always clear. The candidate demonstrates a limited form and style appropriate to the question. The organisation of the answer is limited.
<b>Level 2</b>	<b>[6]–[10]</b>	Some analysis of the problems, issues and situations relevant to the report. Candidate demonstrates satisfactory spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the question. The answer is organised in a satisfactory manner.
<b>Level 3</b>	<b>[11]–[15]</b>	Good analysis of the problems, issues and situations relevant to the report. Candidate demonstrates good spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the question. The answer is organised in a clear and coherent manner.
<b>Level 4</b>	<b>[16]–[20]</b>	Comprehensive analysis of the problems, issues and situations relevant to the report. Candidate demonstrates excellent spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. The answer is organised in a clear and coherent manner.

Candidates must analyse the selected information in order to gain a full awareness of the extent of the issues faced by Boox Ltd. They should proceed to discuss the impacts of the proposed strategy of turning the first floor of the shop into a café. Information selected and analysed should include:

- Arguments in favour of the diversification strategy might include;
  - bringing in more potential customers, reducing the amount of stock of books held, more customers following the arrival of nearby supermarket, more customers following new car park, John loves his business and is not just in it for the money, bad time to sell the business in the economic downturn, saving jobs in the local community, importance of Boox Ltd as a social hub, good corporate image of Boox Ltd, the possibility that ebooks will also encourage people to read more real books and the potential to diversify in the future.
- Arguments in favour of selling Boox Ltd might include;
  - £60 000 needed for renovation with little guarantee of success, falling sales/profits in recent years due to competition from supermarkets, the internet, ebooks and the recession, might lose more customers to new supermarket nearby, high rates and parking problems in town centres, growth of out-of-town shopping centres, publishers selling to supermarkets at discounted rates makes it impossible to compete on price, liquidity problems within Boox Ltd and nationwide decline in independent booksellers.

- The owner can recover his original monies invested, £350 000 from the sale proceeds of £361 000. He may receive a lesser or larger offer depending on how much new owners want the business.

AVAILABLE  
MARKS

**AO4: Evaluate, distinguish between and assess appropriateness of fact and opinion, and judge information from a variety of sources.**

<b>Level 0</b>	<b>[0]</b>	No evaluation of the evidence.
<b>Level 1</b>	<b>[1]–[6]</b>	Little evaluation of all the evidence to arrive at reasoned and valid conclusions. The candidate makes limited use of spelling, punctuation and grammar. The meaning of the text is not always clear. The candidate demonstrates a limited form and style appropriate to the question. The organisation of the answer is limited.
<b>Level 2</b>	<b>[7]–[12]</b>	Some evaluation of all the evidence to arrive at reasoned and valid conclusions. Candidate demonstrates satisfactory spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the question. The answer is organised in a satisfactory manner.
<b>Level 3</b>	<b>[13]–[18]</b>	Good evaluation of all the evidence to arrive at reasoned and valid conclusions. Candidate demonstrates good spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. The answer is organised in a clear and coherent manner.
<b>Level 4</b>	<b>[19]–[24]</b>	Comprehensive evaluation of all the evidence to arrive at reasoned and valid conclusions. Candidate demonstrates excellent spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. The answer is organised in a clear and coherent manner.

Candidates should draw conclusions, based on their analysis of the issues, regarding whether Boox Ltd should follow the proposal put forward by John Reid or his Accountant.

They must use different sources from the case study and be able to show that they know the difference between fact and opinions.

In the evaluation they must show both the positive and negative sides of impacts considered and they must make a final judgement regarding the option the management team should follow. In reaching their judgement candidates should recognise the advantages and disadvantages to Boox Ltd.

Candidates should also make realistic recommendations for the attention of the management team of Boox Ltd.

**AVAILABLE  
MARKS**

80

**Total**

**80**