



GCE

Applied Business

Unit: **F242: Understanding the Business Environment**

Advanced Subsidiary GCE

Mark Scheme for June 2014

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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These are the annotations, (including abbreviations), including those used in scoris, which are used when marking

Annotation	Meaning of annotation
	Tick
	Cross
	Unclear
	Blank Page – this annotation must be used on all blank pages within an answer booklet (structured or unstructured) and on each page of an additional object where there is no candidate response.
	Benefit of doubt
	No use of text
	Level 1
	Level 2
	Level 3
	Level 4
	Not answered question
	Own figure rule
	Noted

Question		Answer	Mark	Guidance
1	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> • a business (status/legal form/ownership/type) • owned/run by members/customers/workers <p>Exemplar response: Eg. It is a type of business (1) owned/run by members (1).</p>	2	<p>AO1: 2</p> <p>Up to two marks. One mark for 'business'. One mark for 'owned/run by members/customers/workers'. Do not award 'members' without concept of owned/run. Do not award features. Do not award 'organisation' – too vague. No context required.</p>
1	(b)	<p>Indicative content:</p> <ul style="list-style-type: none"> • partnerships have partners (1) not members (1) • members have equal voting rights (1) partners according to investment (1) • partnerships have unlimited liability (1) whereas co-ops can have limited liability (1) • limit on number of partners (20) (1) no limit on number of members (1) • the main aim of partnerships is to make a profit (1) whereas the main aim for co-operatives is to benefit the members in some way (1) • partnership not incorporated (1) • a co-operative may be registered at Companies House (1) • partnership lacks continuity (1) • partnership has a deed of partnership (1). <p>Exemplar response: Eg. Partnerships are usually set up to make a profit (1) while co-operatives are established to benefit the members in some other way (1).</p>	4	<p>AO1: 4</p> <p>Up to two marks for each correct difference up to a maximum of two differences. 2nd mark has to show the difference, not just state there is a difference or states 'does not'. Accept generic response. Do not award 'ease of obtaining finance' as it is not a definitive difference. Only award for indicative content.</p>

Question		Answer	Mark	Guidance
1	c	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • members make decisions collectively • all members have equal voting rights • members have a say in how it is run • flat structure <p>Exemplar response: Eg. In a co-op members make decisions collectively (L1). The students at St Martin's University (Cont) decide which suppliers to use collectively (L2). Whilst this might keep the members satisfied, the decision-making process tends to be long and the management ineffective (L3).</p>	9	<p>AO1: 3 AO2: 3 AO3: 3</p> <p>Levels of response</p> <p>L3:[7-9 marks] Candidate analyses how being a co-operative impacts on the way <i>Sweet Papaya</i> is managed.</p> <p>L2:[4-6 marks] Candidate applies knowledge and understanding of how <i>Sweet Papaya</i> is managed.</p> <p>L1:[1-3 marks] Candidate identifies how a co-operative is managed with no use of context.</p> <p>Please indicate each time a candidate achieves a particular level as this will help you allocate marks within that level.</p> <p>Context should be annotated every time Level 2 is awarded with the 'CONT' annotation.</p> <p>Non-contextual answer max Level 1.</p> <p>L2: Must contain more context than just name-dropping e.g. fruit, vegetables, dairy products, produce, students, volunteers, university etc. Context has to relate to <i>Sweet Papaya</i> and not all co-operatives. Must be about the way the business is managed.</p> <p>Do not award advantages/disadvantages of a co-operative for L1/L2. Question asks for 'how'.</p>

Question		Answer	Mark	Guidance
2	a	<p>Use levels of response</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • comply with the law • complying with the law has cost implications • fine for non-compliance • possible loss of revenue • registration • reputation • closure • need for training <p>Exemplar response: Eg. A business might get closed down for non-compliance with the law (L1). <i>Sweet Papaya</i> must make sure that the dairy products (CONT) it sells are kept refrigerated according to food safety legislation (L2) and therefore will need to buy a fridge (CONT) (L2). Eg. <i>Sweet Papaya</i> has to describe its produce (CONT) accurately or risk being fined (L2).</p>	4	<p>AO1: 2 AO2: 2</p> <p>Levels of response:</p> <p>Level 2 (3-4 marks) Candidate applies knowledge and understanding of impact(s) in the context of <i>Sweet Papaya</i>.</p> <p>Level 1 (1-2 mark) Candidate shows knowledge and understanding of impact(s) with no use of context.</p> <p>Non-contextual answer max Level 1.</p> <p>L2: Must contain more context than just name-dropping eg. produce, fruit, vegetables, Environmental Health Department, farmers, etc.</p> <p>Award minimum 3 marks for one implication in context.</p> <p>Candidates can achieve full marks for one impact in detail (in context) or two different impacts (in context).</p> <p>Do not award for simply stating the law – the impact of that law must be clear.</p> <p>Do not award for answers that refer to ethics.</p> <p>Specific naming of legislation not required eg Trade Descriptions Act.</p>

Question			Answer	Mark	Guidance
2	b	i	<p>Indicative content:</p> <ul style="list-style-type: none"> • moral value • doing what is right • beyond legal requirements • fair treatment/no exploitation. <p>Exemplar response: Eg. Ethical trading concerns moral values (1). It is about doing what is right (1).</p>	2	<p>AO1: 2</p> <p>Up to two marks.</p> <p>Do not award examples.</p>
2	b	ii	<p>Indicative content:</p> <ul style="list-style-type: none"> • environmentally friendly • fair trade • practise sustainability • recycling • local • charity donations • fair prices • above minimum wage • good working environment • organic • free range. <p>Exemplar response: Eg. <i>Sweet Papaya</i> can make sure that it is environmentally friendly (1) by keeping the packaging to a minimum (1).</p> <p>Eg. <i>Sweet Papaya</i> can ensure sustainability by using recycled products (1) such as recycled paper for its leaflets (1).</p>	4	<p>AO1: 2 AO2: 2</p> <p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Do not award legal examples.</p> <p>Ensure that the explanation relates to ethical issues eg food miles and NOT, for example, to attract more customers.</p> <p>Mark each response holistically.</p>

Question		Answer	Mark	Guidance
2	c	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • satisfy stakeholders • enhance image/reputation • increase customer base/members • customer loyalty • higher produce/boxes costs • lower transport costs • increase level of sales • higher prices • increase competitiveness • limited product range • availability of finance. <p>Exemplar response:</p> <p>Eg. There is an increasing demand for businesses to operate ethically to satisfy their customers (L1). Sweet Papaya is a co-operative (Cont) and its members expect it to operate ethically, as stated in its mission statement. Working towards these expectations of the members is crucial to its survival as they are also the customers (L2). The practice is key to attracting new members without whom Sweet Papaya cannot survive (L3).</p> <p>However, paying suppliers a fair price would mean higher costs for its produce (Cont) (L2). This means that members will have to pay higher prices for the produce they order which may mean they lose members (L3).</p> <p>Sourcing produce locally is an ethical practice to reduce food miles (Cont) which means that Sweet Papaya's</p>	12	<p>AO1: 3 AO2: 3 AO3: 3 AO4:3</p> <p>Levels of response:</p> <p>Level 4 Candidate evaluates the cost(s)/benefit(s) of being ethical to Sweet Papaya with context. L4:[11-12 marks] Candidate evaluates the cost(s) and/or benefit(s) of being ethical to Sweet Papaya with full justification. L4:[10 marks] Candidate evaluates the cost(s) and/or benefit(s) of being ethical to Sweet Papaya with brief justification.</p> <p>Level 3 Candidate analyses the cost(s)/benefit(s) of being ethical to Sweet Papaya with context. L3:[8-9 marks] Candidate analyses both the cost(s) and benefit(s) of being ethical to Sweet Papaya. L3:[7 marks] Candidate analyses either the cost(s) or benefit(s) of being ethical to Sweet Papaya.</p> <p>Level 2 Candidate applies knowledge and understanding of the importance of being ethical to Sweet Papaya with context. L2:[5-6 marks] Candidate applies knowledge and understanding of both the cost(s) and benefit(s) of being ethical to Sweet Papaya. L2:[4 marks] Candidate applies knowledge and understanding of either the cost(s) or benefit(s) of being ethical to Sweet Papaya.</p> <p>Level 1 Candidate identifies the cost(s)/benefit(s) of ethical practices with no use of context. L1:[2-3 marks] Candidate identifies both the cost(s) and benefit(s) of ethical</p>

	<p>product range is limited to what is available from local suppliers (L2). This could lead to members complaining (L3).</p> <p>To conclude, being ethical is going to ensure <i>Sweet Papaya</i>'s success in the long run, especially when consumers are more and more aware of fair trade and food miles (Cont)(L4). It is increasingly important for businesses to embrace ethical practices in order to satisfy their customers.</p>		<p>practices with no use of context.</p> <p>[1 mark] – candidate identifies one cost or benefit of ethical practice(s) with no use of context.</p> <p>Please indicate each time a candidate achieves a particular level as this will help you allocate marks within that level.</p> <p>Context should be annotated every time L2/L4 is awarded with the 'CONT' annotation.</p> <p>Non-contextual answer max Level 1.</p> <p>Must clearly be costs and benefits to <i>Sweet Papaya</i>.</p> <p>L2: Must contain more context than just name-dropping e.g. co-operative, fruit, vegetables, dairy products, produce, members, food, boxes, supermarkets, farmers, Hertfordshire Council, fair trade, etc.</p>
3 (a)	<p>Indicative content:</p> <ul style="list-style-type: none"> • suppliers, local farms, orchard owners • supermarkets, greengrocery shop • University/Student Union • Environmental Health Department/officer • non members/non-member students • Local council. 	2	<p>AO2: 2</p> <p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Do not accept customers.</p> <p>Have to be from case study and external.</p>

3	b*	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • customers/members affect selling price, products sold, opening hours, etc. • local community affects opening hours, disposal of waste, etc. • suppliers affect costs of produce, availability of produce, product range, etc. • pressure groups affect ethical practices • competitors affect pricing • Roger and Julie affect the overall co-ordination • volunteers affect running of co-operative • University/Student Union affects use of premises • local council/government affects regulations. <p>Exemplar response:</p> <p>Eg. The owners of a co-operative make all the decisions concerning the running of the business such as the prices that are charged (L1). At <i>Sweet Papaya</i>, the students (Cont) decide what it should sell and at what price (L2) which means that the ethical status can remain (L3).</p> <p>The local community can affect decisions made at <i>Sweet Papaya</i> such as its opening hours (L1). However, as it is situated at the Students' Union (Cont), it should not have a huge impact on the lives of those who live near it (L2). As such, the local community does not have a huge impact on <i>Sweet Papaya</i> (L3).</p> <p>Suppliers can impact on the selling price a business charges (L1). In the case of <i>Sweet Papaya</i>, if its suppliers raise the price of their produce (Cont) (L2), this will be passed on to its customers (L2) because the produce (Cont) is sold at break-even prices. This might lead to reduced sales (L3).</p>	12	<p>AO1: 3 AO2: 3 AO3: 3 AO4: 3</p> <p>QWC is assessed in this question.</p> <p>Levels of response</p> <p>Level 4 Candidate evaluates which stakeholder group has the most impact on <i>Sweet Papaya</i>. L4:[11-12 marks] Candidate evaluates which stakeholder group has the most impact on <i>Sweet Papaya</i> with full justification.</p> <p>L4:[10 marks] Candidate evaluates which stakeholder group has the most impact on <i>Sweet Papaya</i> with brief justification.</p> <p>Level 3 Candidate analyses the impact of stakeholder group(s) on <i>Sweet Papaya</i>. L3:[8-9 marks] Candidate analyses the impact of more than one stakeholder group on <i>Sweet Papaya</i>.</p> <p>L3:[7 marks] Candidate analyses the impact of one stakeholder group on <i>Sweet Papaya</i>.</p> <p>Level 2 Candidate applies knowledge and understanding of the impact of stakeholder group(s) of <i>Sweet Papaya</i>. L2:[5-6 marks] Candidate applies knowledge and understanding of the impact of more than one stakeholder group on <i>Sweet Papaya</i>.</p> <p>L2:[4 marks] Candidate applies knowledge and understanding of the impact of one stakeholder group on <i>Sweet Papaya</i>.</p> <p>Level 1 Candidate identifies stakeholder impact with no use of context. L1:[2-3 marks]</p>
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		<p>Overall the stakeholder group which has the most influence on <i>Sweet Papaya</i> is the customers because they are owners at the same time (Cont) (L4). As owners they have full control of how it is run, what produce it should sell and at what price; including the future direction of the business (L4).</p>		<p>Candidate identifies the impact of more than one stakeholder group with no use of context. [1 mark] – candidate identifies the impact of one stakeholder group with no use of context.</p> <p>Please indicate each time a candidate achieves a particular level as this will help you allocate marks within that level.</p> <p>Context should be annotated every time L2/L4 is awarded with the 'CONT' annotation.</p> <p>Non-contextual answer max Level 1.</p> <p>Do not award for interest of the stakeholder, ensure that it is impact.</p> <p>Members, volunteers and customers are the same stakeholder group.</p> <p>Only award 10 marks for L4 if only one stakeholder group considered.</p> <p>L2: Must contain more context than just name-dropping eg. co-operative, fruit, vegetables, food, dairy products, produce, supermarkets, volunteers, local green grocer, members, local farmers, orchard owners, etc.</p>
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Question		Answer					Mark	Guidance																											
4	a	i	<table border="1"> <thead> <tr> <th>Item</th><th>Budget (£)</th><th>Actual (£)</th><th>Variance (£)</th><th>Variance (%)</th><th>Adverse/ Favourable</th></tr> </thead> <tbody> <tr> <td>Electronic Till</td><td>200</td><td>180</td><td>20 (1)</td><td>10 (1)</td><td>Favourable (1)</td></tr> <tr> <td>Refrigerators</td><td>400</td><td>450 (1)</td><td>50</td><td>12.5 (1)</td><td>Adverse</td></tr> <tr> <td>Fixtures</td><td>250 (1)</td><td>200</td><td>50</td><td>20 (1)</td><td>Favourable</td></tr> <tr> <td>Furniture</td><td>150</td><td>165 (1)</td><td>15 (1)</td><td>10</td><td>Adverse</td></tr> </tbody> </table>	Item	Budget (£)	Actual (£)	Variance (£)	Variance (%)	Adverse/ Favourable	Electronic Till	200	180	20 (1)	10 (1)	Favourable (1)	Refrigerators	400	450 (1)	50	12.5 (1)	Adverse	Fixtures	250 (1)	200	50	20 (1)	Favourable	Furniture	150	165 (1)	15 (1)	10	Adverse	9	<p>AO1: 6 AO2: 3</p> <p>One mark for each correct answer up to a maximum of nine marks.</p> <p>Ignore signs.</p> <p>Credit Fav or F for Favourable.</p> <p>No OFR.</p>
Item	Budget (£)	Actual (£)	Variance (£)	Variance (%)	Adverse/ Favourable																														
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Question			Answer	Mark	Guidance
4	a	ii	<p>Indicative content:</p> <ul style="list-style-type: none"> • trade credit/hire-purchase • membership fees • loan • overdraft • grant • credit card • leasing • profit • (members') personal savings • loan from family and friends • fundraising. <p>Exemplar response: Eg. Loan from university (1). Eg. Membership fees (1).</p>	2	<p>AO2: 2</p> <p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Answers must be appropriate to <i>Sweet Papaya</i>, do not accept share capital, mortgage.</p>
4	b		<p>Indicative content:</p> <ul style="list-style-type: none"> • there is no historical data • it is a new proposal/venture <p>Exemplar response: Eg. There is no historical data on which to base the estimates (1), <i>Sweet Papaya</i> has not made any capital investments before (1).</p>	2	<p>AO1: 1 AO2: 1</p> <p>Up to two marks for a correct explanation.</p> <p>Do not award for 'first year of operation/new business' as this is about a new area of operation.</p>

4	c	<p>Indicative content:</p> <p>Advantages:</p> <ul style="list-style-type: none"> • tight control (1) as every expenditure has to be justified (1) • does not rely on historical data which could be out-of-date. (1) <p>Disadvantages:</p> <ul style="list-style-type: none"> • can be de-motivating (1) as every expenditure has to be justified (1) • can be time-consuming • cannot address any problems (1) as does not take into account previous year's budgets (1) • relies on integrity of managers. (1) <p>Exemplar response:</p> <p>Advantages:</p> <p>Eg. Allocation of resources tends to be more efficient (1) as it is based on needs and benefits (1).</p> <p>Eg. Drives managers to find cost effective ways to improve operations (1).</p> <p>Disadvantages:</p> <p>Eg. It is time-consuming (1) because decision makers are forced to justify every detail related to expenditure (1).</p> <p>Eg. Honesty of the managers must be reliable and uniform (1).</p>	4	<p>AO1: 2 AO2: 2</p> <p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Accept generic context.</p> <p>Do not award generic budgeting responses. Has to relate specifically to zero based budgeting.</p>
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4	d	<p>Indicative content:</p> <ul style="list-style-type: none"> • to avoid/prevent overspend • to avoid going into debt • to maintain a healthy cash-flow • to enable future plans/developments • to break-even • to be profitable • if a business does not have a lot of money. <p>Exemplar response: Eg. To make sure a business does not overspend (1). Eg. To maintain a healthy cash flow. Without cash Sweet Papaya will not be able to pay for the fruit and vegetable boxes (CONT) ordered by its customers (2).</p>	4	<p>AO1: 2 AO2: 2</p> <p>Up to two marks for each of two explanations.</p> <p>Care – do not award for repeats across the two reasons.</p> <p>Do not award ‘to see/know/identify</p> <p>Two marks for contextual explanation. Annotate using CONT and double ticks.</p> <p>One mark for non-contextual explanation.</p> <p>For two marks must contain more context than just name-dropping e.g. fruit, vegetables, expansion, etc.</p>
5	(a)	i	<p>Indicative content:</p> <p>Break-even = Fixed costs/(selling price – variable costs) Or Break-even = Fixed costs/ (unit) contribution</p>	<p>AO1: 1</p> <p>For one mark.</p>
5	(a)	ii	<p>Indicative content:</p> <p>Does not change in response to changes in the level of output/sales/demand.</p>	<p>AO2: 1</p> <p>For one mark.</p>
5	(a)	iii	<p>Indicative content:</p> <p>Changes in line with changes in the level of output/sales/demand.</p>	<p>AO2: 1</p> <p>For one mark.</p>

5	(b)	i	Indicative content: Break-even = 50 boxes (2) If answer incorrect, award workings as follows: BE= $\frac{50}{£4 - £3} \quad (1)$	2	AO1: 1 AO2: 1 Up to two marks. Award full marks for the correct answer without working. No marks for the formula.
5	(b)	ii	Indicative content: <ul style="list-style-type: none"> • Make a profit (1) of £30 (1) which will help fund the expansion (1) • (Variable) costs will increase (1) thus increasing cash outflow (1) • Revenue will increase (1) by £120 (1) to £320 (1). 	2	AO1: 1 AO2: 1 Up to two marks. Do not accept profit margin will increase or it will be more profitable. No OFR. All response has to show financial impact.
6	a		Indicative content: <ul style="list-style-type: none"> • keep customer/member records • keep supplier records • stock control • customer orders • record of customer preferences. 	1	AO1: 1 For one mark. Do not award any financial uses.

Question		Answer	Mark	Guidance
6	b	<p>Indicative content:</p> <ul style="list-style-type: none"> • reduce waste • speed • efficiency/productivity • more organised • greater security • editing • improve accuracy/less chance of human error • space saving • less likely to lose paper orders/payments • wider range of customers • improve image/more professional documents • reduce queues • source better supplies • improve communication • cheaper advertising/publicity. <p>Exemplar response:</p> <p>Eg. Reduce waste (1), as getting customers' orders wrong can be a huge waste in fruit and vegetables as they are perishable (1).</p> <p>Eg. Increase speed (1), as customer orders can be processed more quickly with a till (1).</p> <p>Eg. Improve communication (1). This can be with customers or suppliers as messages can be sent through emails instantaneously rather than writing on scraps of paper (1).</p>	4	<p>AO1: 2 AO2: 2</p> <p>One mark for each identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Mark each response holistically.</p> <p>Do not award for what ICT can be used. Has to be advantages.</p> <p>Care not to award repeats.</p> <p>Two marks for contextual explanation. Annotate using CONT and double ticks.</p> <p>One mark for non-contextual explanation.</p> <p>For two marks must contain more context than just name-dropping eg. fruit, vegetables, expansion, volunteers, members, pieces/scraps of paper, paper orders, etc.</p>

6	c	<p>Indicative content:</p> <ul style="list-style-type: none"> • expensive/cost(ly) • high set-up costs • up-grades • reliance on ICT • training • loss of data • protection/security • hacking • maintenance • technical support • down time due to virus. <p>Exemplar response:</p> <p>Eg. The set-up costs can be high (1) and it is difficult for <i>Sweet Papaya</i> to find the capital for it does not have any retained profit (1).</p> <p>Eg. Training can be costly (1). <i>Sweet Papaya</i> sells at cost so there is no profit to fund the necessary courses (1).</p>	4	<p>AO1: 2 AO2: 2</p> <p>One mark for each identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Mark each response holistically.</p> <p>Care not to award repeats.</p> <p>Two marks for contextual explanation. Annotate using CONT and double ticks.</p> <p>One mark for non-contextual explanation.</p> <p>For two marks must contain more context than just name-dropping eg. fruit, vegetables, expansion, volunteers, members, pieces/scraps of paper, paper orders, etc.</p>
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7	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • upset stakeholders • affect sales performance • increase waste • business performance cannot be monitored accurately • orders will get mixed up • unable to identify errors • reduce ability to obtain finance • debt/overspend • unable to budget properly/effectively plan/mis-plan • cash-flow issues • legal actions • tax liabilities • unable to illustrate the financial position of the organisation to its stakeholders. <p>Exemplar response:</p> <p>Eg. Without accurate sales/purchases records businesses cannot monitor their performance (L1). This is important to <i>Sweet Papaya</i> to avoid paying the farmers (Cont) too much (L2). Over paying suppliers will lead to a loss that <i>Sweet Papaya</i> cannot afford as there is no profit margin (L3).</p> <p>As <i>Sweet Papaya</i> deals with cash (Cont), it is difficult to trace financial transactions without accurate records (L2). This might lead to orders being placed wrongly (L3) increasing waste (L3) and reducing customer satisfaction (L3).</p> <p>It is a business run without a profit margin (Cont), any mistakes made could cause the business to close down (L4). Overall, inaccurate financial records will lead to the ultimate failure of <i>Sweet Papaya</i>.</p>	12	<p>AO1: 3 AO2: 3 AO3: 3 AO4: 3</p> <p>Levels of response:</p> <p>Level 4 Candidate evaluates the consequences of not keeping accurate financial records to <i>Sweet Papaya</i>. L4:[11-12 marks] Candidate evaluates the consequences of not keeping accurate financial records to <i>Sweet Papaya</i> with full justification.</p> <p>Level 4 Candidate evaluates the consequences of not keeping accurate financial records to <i>Sweet Papaya</i> with brief justification.</p> <p>Level 3 Candidate analyses the consequence(s) of not keeping accurate financial records to <i>Sweet Papaya</i>. L3:[8-9 marks] Candidate analyses more than one consequence of not keeping accurate financial records to <i>Sweet Papaya</i>.</p> <p>Level 3 Candidate analyses one consequence of not keeping accurate financial records to <i>Sweet Papaya</i>.</p> <p>Level 2 Candidate applies knowledge and understanding of the consequence(s) of not keeping accurate financial records to <i>Sweet Papaya</i> with context. L2:[5-6 marks] Candidate applies knowledge and understanding of more than one consequence of not keeping accurate financial records to <i>Sweet Papaya</i>.</p> <p>Level 2 Candidate applies knowledge and understanding one consequence of not keeping accurate financial records to <i>Sweet Papaya</i>.</p> <p>Level 1 Candidate identifies consequence(s) of not keeping</p>
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			<p>accurate financial records with no use of context.</p> <p>L1:[2-3 marks]</p> <p>Candidate identifies more than one consequence of not keeping accurate financial records with no use of context.</p> <p>[1 mark] – candidate identifies one consequence of not keeping accurate financial records with no use of context.</p> <p>Please indicate each time a candidate achieves a particular level as this will help you allocate marks within that level.</p> <p>Context should be annotated every time L2/L4 is awarded with the 'CONT' annotation.</p> <p>Non-contextual answer max Level 1.</p> <p>L2: Must contain more context than just name-dropping eg. co-operative, fruit, vegetables, dairy products, produce, not needing to borrow large amount, paper based records, etc.</p> <p>Answers must refer to financial records and not records in general.</p> <p>Answers must be in the negative, ie, an answer about the benefits of keeping accurate financial records is not awardable as it does not answer the question.</p>
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