



GCSE

Applied Business

Unit **A241**: Business in Action

General Certificate of Secondary Education

Mark Scheme for June 2018

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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
	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.
	Unclear
	Benefit of doubt
	Context
	Level 1
	Level 2
	Level 3
	Not answered question
	Repeat
	Noted but no credit given
	Too vague
	Tick
	Development of point
	Own figure rule
	Cross

Here are the subject specific instructions for this question paper

Subject-specific Marking Instructions

Application marks (AO2)

Application marks are available for **application of knowledge**. The application marks would be gained by explaining how a business may react, the implications of their theoretical suggestion or reasons why it is a good/bad idea. Context is not needed.

Application marks are also awarded if the candidate **applies their knowledge in the context** of the case study business or their chosen business. It will be clear in the question which business they should refer to. On occasion candidates may be asked to apply their answer to a

business 'such as' (usually then naming the case study business) this allows candidates to apply their knowledge in the context of a similar

business. The business could be similar in terms of the ownership, size of the business, sector in which it operates or the service it provides/

products it produces. The mark scheme will clearly show whether the application marks are for application in context or application of knowledge.

10 mark questions

Level 1 marks are awarded for showing knowledge.

Level 2 marks are awarded for application and are now split into 3-4 marks and 5-6 marks.

3-4 marks - Application marks are available for **application of knowledge**. The application marks would be gained by explaining how a business may react, the implications of their theoretical suggestion or reasons why it is a good/bad idea. Context is not needed.

5-6 marks are awarded if the candidate **applies their knowledge in the context** of the case study business or their chosen business.

Specific guidance will be given within the mark scheme as to what is needed to access 5 marks.

It must be clear that the candidate is applying their answer to the case study business or a business they have studied to move above L2
4

marks. An applied answer can go straight to L2 as it is not expected that the candidate includes theory in their answer.

Start by checking the candidate's answer for context. Once you have found context in the answer then it can gain at least 5 marks.

Context

only has to be hit once to reach this level (level 2 descriptor also has to be met to reach level 2).

Level 3 marks are awarded for analysis and evaluation. The candidate has to have previously correctly applied their knowledge in the context

of the case study in order to achieve level 3.

7 – 9 marks are awarded for analysis based on previous application in context.

10 marks are awarded for evaluation based on previous analysis.

Quality of Written Communication (QWC)

10 mark questions have QWC embedded in the levels. Below are the full descriptors for requirements to meet the level with regard to QWC.

Level 3 - Candidate shows ability to present relevant material in a well planned and logical sequence. Material is clearly structured using appropriate industry terminology confidently and accurately. Sentences, consistently relevant, are well structured in a way which directly answers the question. There will be few, if any, errors of grammar, punctuation and spelling.

Level 2 - Candidate shows ability to present relevant material in a planned and logical sequence. Appropriate industry terminology is used.

Sentences, for the most part, are presented in a balanced, logical and coherent manner which addresses the question. There will be occasional errors of grammar, punctuation and spelling.

Level 1 - Candidate shows ability to communicate at least one point using some appropriate industry terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of the question. Errors of grammar, punctuation and spelling may be noticeable and intrusive.

Question			Answer/Indicative content	Mark	Guidance
1	a		Indicative content: <ul style="list-style-type: none"> • manufacturing. 	1	For one mark. This is the only correct answer, do not award alternatives.
1	b		<p>Possible responses may include:</p> <ul style="list-style-type: none"> • establish demand • raise awareness • attract/gain customers • supply product information • conduct market research • manage public relations • promote the business/products • design advertising • develop sales promotions • arrange sponsorship deals • decide/select product range • set pricing strategy • decide channels of distribution • sell products • increase sales. <p>Exemplar responses:</p> <p>The role of marketing is to promote the company (1) and gain customers (1).</p> <p>One role of marketing is to advertise (1) on tv (1).</p>	2	<p>Up to two marks.</p> <p>No context required.</p> <p>NB This is a broad question about ‘role’. Award any two points about marketing’s role, purpose, function or specific tasks e.g. what marketing does, how it does it or why it does it. Accept points of description or explanation.</p> <p>The two points do not need to be explicitly linked (the link is inherent because marketing does them both) e.g. The role of marketing is to conduct market research (1) and design suitable advertisements (1).</p> <p>‘Marketing’ is too vague as it does not show knowledge of what marketing does – please annotate TV. ‘Research’ too vague, unless it refers to ‘market research’ or ‘research into customer wants’ etc.</p> <p>Accept answers related to selling as there is no separate sales function in this specification e.g. sell products (1) for a reasonable price (1).</p> <p>Do not accept arguments relating to deciding the location of the business as that would be a strategic decision not a marketing one.</p>

Question			Answer/Indicative content	Mark	Guidance
1	c		<p>Possible responses may include:</p> <ul style="list-style-type: none"> • deal with/involved with/in charge of the money • sort out/pay the wages • invoice customers • sort out/pay the bills • security of money/keep money safe • monitor costs • pay suppliers • pay employees • manage cash flow • keep track of money going in and out • handle receipts • balance budgets • produce accounts • calculate profit and loss. <p>Exemplar responses:</p> <p>The role of finance is to manage the cash coming in and out of the business (1) so that the business does not run into operating difficulties (1).</p> <p>Finance handles the money (1) and ensure the bills are paid (1).</p>	2	<p>Up to two marks.</p> <p>No context required.</p> <p>NB This is a broad question about 'role'. Award any two points about finance's role, purpose, function or specific tasks e.g. what finance does, how it does it or why it does it. Accept points of description or explanation.</p> <p>The two points do not need to be explicitly linked (the link is inherent because finance does them both) e.g. The role of finance is to pay the bills (1) and monitor costs (1).</p> <p>'Business finances'/'Financial aspects' are too vague as it does not show knowledge of what finance does – please annotate TV.</p> <p>Do not award price setting, as this is a marketing function.</p> <p>Do not accept arguments about making money (because the entire organisation does that) or keeping the profit (it is retained for the benefit of the entire organisation).</p> <p>Do not award vague answers such as 'responsible for profits' or 'responsible for costs', please annotate TV. But do award 'responsible for calculating profit' or 'responsible for monitoring costs' etc.</p>

Question			Answer/Indicative content	Mark	Guidance
1	d		<p>Possible responses may include:</p> <ul style="list-style-type: none"> • reduced output/ make less equipment • slower production rate • lower quality • lack of quality control • poor stock control • increased wastage • lower productivity • (unit) costs higher • orders duplicated • unfulfilled orders • late despatch/deliveries. 	2	<p>One mark for each correct identification, up to a maximum of two identifications.</p> <p>Do not award 'inefficiency' as this is the question.</p> <p>Operations Management includes making, packaging and distributing products. Accept references to stock. Look for an understanding of what Operations Management does.</p> <p>Link to Operations Management required. Do not award answers such as fewer sales, lower profit, less custom, bad publicity etc unless a reason linked to Operations is given. Please annotate TV. E.g. Do not award 'fewer sales because customers are not happy' (TV); but do award 'fewer sales because customers are not happy with the quality of the product' (1).</p>

Question			Answer/Indicative content	Mark	Guidance
1	e	i	<p>Possible responses may include:</p> <ul style="list-style-type: none"> raise more capital/money gain more investors wider range of possible sources of finance. <p>Exemplar responses:</p> <p>Being a public limited company allows the business access to more capital (1) because shares can be bought by anyone (+1).</p> <p>They can sell shares on the stock exchange (+1), gaining more money (1).</p> <p>The company can trade on the stock market (0 – no advantage stated).</p> <p>The company can sell shares to the general public (0 – no advantage stated).</p>	2	<p>One mark for a correct identification, plus a further one mark for an explanation.</p> <p>Advantage required to award marks. Do not award statements or reasons unless advantage clearly stated. E.g. do not award 'can trade on stock market' or 'can sell to the public' if that is all the answer says. The benefit to the business e.g. 'can raise more capital' is required for marks can be awarded.</p> <p>Additional mark for explanation of cause of benefit.</p> <p>Annotation required: First mark for benefit – annotate ✓ Additional mark for cause - annotate ✓+</p> <p>Must be an advantage to the business. Do not award benefits to shareholders. Please annotate 'limited liability' NAQ.</p> <p>Do not award 'raise money faster' or 'easier to raise money' or 'higher chances of survival' as these are not correct.</p> <p>Do not award 'larger', 'economies of scale' or 'more well-known' as this relates to the size of the business not its legal form of ownership.</p>

Question			Answer/Indicative content	Mark	Guidance
1	e	ii	<p>Possible responses may include:</p> <ul style="list-style-type: none"> lots of paperwork AGMs/meetings required accounts/reports must be published financial affairs not confidential accounts need auditing media interest greater public scrutiny pay shareholder dividends cost of flotation risk of takeover/losing control/dilution of ownership qualified secretary required. <p>Exemplar response: A plc is at risk of takeover (1) because shares can be bought by the general public (+1).</p> <p>Because a public limited company must disclose its financial affairs (+1) competitors can see how the company is doing (1).</p>	2	<p>One mark for a correct identification, plus a further one mark for an explanation.</p> <p>Disadvantage required to award marks. Do not award statements or reasons unless advantage clearly stated. E.g. do not award 'can trade on stock market' or 'the public can buy shares' if that is all the answer says. The drawback to the business e.g. 'there is a risk of takeover' is required for marks can be awarded.</p> <p>Additional mark for explanation of cause of drawback.</p> <p>Annotation required: First mark for drawback – annotate ✓ Additional mark for cause - annotate ✓+</p> <p>Must be a disadvantage to the business.</p> <p>Do not award disadvantages relating to being large or inefficient.</p>

Question			Answer/Indicative content	Mark	Guidance
1	f			3	<p>One mark for each correct identification, up to a maximum of three identifications.</p> <p>Please stamp annotation on the left i.e. in the change in economic factors column.</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
1	g	*	<p>Possible responses may include:</p> <ul style="list-style-type: none"> • reduce prices of its sports equipment – lower revenue, lower profit (margin), perceived reduction in quality, higher breakeven point, increase sales? increase profit? • increase television advertising and sponsorship – increased labour time, increased costs, out-of-date media, higher breakeven point, lower profit, increase awareness? increase sales? increase profit? 	10	<p>Context: Elements from the bullets points in the question i.e.</p> <ul style="list-style-type: none"> • reduce the prices of its sports equipment • increase its television advertising and sponsorship • develop new and innovative product designs. <p>There is no definitive answer - each of these consequences could be argued to have the greatest impact on Performance plc.</p>	<p>QWC (Quality of Written Communication) is assessed in this question. See guidance on Page 6 of this mark scheme.</p> <p>Required annotation: L1, L2, CONT, L3. Use ✓+ for justified decision.</p> <p>Level 3 (7-10 marks) Candidate makes a reasoned judgement and/or analysis of the action Performance plc take in response to increased competition.</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
			<ul style="list-style-type: none"> develop new and innovative product designs – research and development costs, time, increase breakeven, lower profits, focus, reputation, extend product range, increase sales? increase profits? <p>Exemplar response: Increased competition may mean that Performance plc loses customers (L1), because shoppers may go to the competition (L2 – no context).</p> <p>Reducing the prices of its sports equipment (CONT) would mean that the company would receive less income (L1). This would reduce the profit the company makes on each item sold (L2), but may increase market share (L3).</p> <p>Increasing the spend on advertising (CONT) will increase business costs (L1). This should, however, also increase public awareness (L2) and increase the number of products sold, increasing revenue (L3).</p> <p>Developing new product designs (CONT) would cost a lot of money (L1) for research and development (L2). The length of time the</p>		<p>Level 3 10 marks – makes a justified decision as to which bullet Performance plc should choose, following analysis of all three bullets. 9 marks – all three bullets analysed 8 marks – two bullets analysed. 7 marks – one bullet analysed.</p> <p>Level 2 (with context) 6 marks – impact of two or more bullets explained in context. 5 marks – impact of one bullet explained in context.</p> <p>Level 2 (no context) 4 marks – explanation of two or more impacts with no context. 3 marks – explanation of one impact with no context.</p> <p>Level 1 2 marks – identification of two or more impacts (no context required). 1 mark – identification of one impact (no context required).</p> <p>0 marks - response does not address the question.</p>	<p>Level 2 (5-6 marks) Candidate applies knowledge of the likely impacts on Performance plc of the bulleted course(s) of action.</p> <p>Level 2 (3-4 marks) Candidate applies knowledge about the impact of increased competition on a business (no context required).</p> <p>Level 1 (1-2 marks) Candidate identifies the impact of increased competition on a business (no context required).</p> <p>Award as follows:</p> <p>L1 for an identification of an impact (Max one L1 per bullet point – mark best one).</p> <p>L2 for an explanation of cause of the previous L1 impact (candidates can enter directly at L2) OR a further consequence of the previous L1 impact. (Max one L2 per bullet point – mark best one).</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
			<p>research would take would almost certainly lead to a reduction in current profit (L3).</p> <p>The best option for Performance plc is likely to be increasing the amount of television advertising. Performance plc is the sports equipment market leader in Europe. The advertising should reinforce the brand and increase sales, minimising the impact of new competitors entering the market (✓+).</p>		<p>NB: An applied answer can go straight to 5 marks (Level 2) if an explanation is given about the impact of one of the bullets.</p>	<p>If context found within the answer (i.e. bulleted course of action) annotate as CONT and award 5+.</p> <p>L3 for a business-facing consequence of a previous point. (Max one L3 per bullet point – mark best one). Each L3 must be different i.e. do not award repetition.</p> <p>If 3 impacts analysed award:</p> <p>L4 for a justified selection of a bulleted action (annotate ✓+).</p> <p>Please see exemplar response.</p>

Question			Answer/Indicative content	Mark	Guidance
2	a		<p>Indicative content:</p> <ul style="list-style-type: none"> • be punctual • work safely • follow rules. 	3	<p>One mark for each correct identification, up to a maximum of three identifications.</p> <p>Short answer question rule applies (see page 2 of mark scheme). If more than three circles mark the first three – beginning with the top row</p>
2	b		<p>Indicative content:</p> <ul style="list-style-type: none"> • contract of employment • itemised pay statement • unfair dismissal protection • statutory dismissal procedure • reasonable notice • written warnings • redundancy pay • maternity/paternity pay • time off for parenting • right to request flexible working time • paid holiday • paid training • paid time off for antenatal care • paid time off for public duties (e.g. jury service). <p>Exemplar response: Under the Employment Rights Act employees should be given a written contract of employment (1) so that they know the terms and conditions of their employment (1).</p>	6	<p>One mark for a correct identification to a maximum of three identifications, plus a further one mark for each of three explanations.</p> <p>One mark for point of law under Employment Rights Act. One mark for explanation of employee rights.</p> <p>Point of law required to award marks.</p> <p>Do not award entitlement to safety, equal pay, fair pay, minimum wage, breaks, non-zero-hour contracts, no discrimination, get paid on time, or get paid the correct amount as these are not covered by the Employment Rights Act.</p> <p>Do not award 'receive training' but do award 'right to be paid when training'.</p> <p>Do not award 'amount of holiday entitlement' but do award 'right to paid holiday'.</p>
2	c		<p>Possible responses may include:</p> <ul style="list-style-type: none"> • increased market share • increased sales • increased profit • improved cash flow 	6	<p>In each case, award:</p> <p>Two marks for a contextual response. Annotate ✓✓ One mark for a non-contextual response. Annotate ✓</p> <p>Test for context: type of business or what it</p>

Question			Answer/Indicative content	Mark	Guidance
			<ul style="list-style-type: none"> • improved reputation • good publicity • attracts custom • motivated workforce. <p>Exemplar responses: One benefit to Superfoods Ltd of operating in an enterprising way is that its grocery (CONT) sales have increased (2).</p> <p>One benefit to Superfoods Ltd of operating in an enterprising way is that it has increased its market share (1).</p>		<p>makes/sells/service provided. CONT annotation required.</p> <p>If no business named, max 1 per 'benefit' unless the candidate has named the business somewhere in their answer.</p> <p>Must be a benefit to the business.</p> <p>Do not award 'happy employees' or 'high workforce morale' as these are benefits to the worker rather than to the business. However accept 'improved motivation' and all of the benefits this leads to.</p>
2	d		<p>Possible responses include:</p> <ul style="list-style-type: none"> • not exploit workforce • not use zero-hour contracts/issue stable contracts • not use child labour • pay fair/reasonable/living wage • pay above minimum wage • provide good working conditions • provide good employment terms • treat workers fairly • offer job security • offer frequent pay rises • flexible working. 	2	<p>One mark for each correct identification, up to a maximum of two identifications.</p> <p>Do not award legal requirements e.g. do not award 'pay minimum wage', 'pay equally', 'avoid discrimination', 'provide safe working environment' or equality arguments. Being ethical on this specification means doing above and beyond what the law requires.</p> <p>NB This question is about being an ethical employer. Therefore, answers must relate to the workforce, and treating them well. Do not award ethical trading or being an ethical producer. Do not award fair trade, green transport, recycling, being environmentally friendly, giving to charities or not testing on animals.</p>

Question			Answer/Indicative content	Mark	Guidance
2	e		<p>Possible responses may include:</p> <ul style="list-style-type: none"> • bad publicity • poor reputation • loss of customers • bad reviews • falling sales • loss of market share • less profit • poor working relationships • de-motivated employees • absenteeism • employees leaving • recruitment problems • lose sponsorship • loss of suppliers co-operation • fall in share price • bankruptcy. 	2	<p>One mark for each correct identification, up to a maximum of two identifications.</p> <p>Must be a consequence to the business.</p> <p>Do not award vague responses e.g. 'business failure', failure at what? Please annotate TV.</p> <p>Do not award legal consequences, as ethical behaviour is not required by law. E.g. do not award 'court action', 'fines', 'imprisonment', etc.</p>

Question		Answer/Indicative content	Mark	Guidance
3	a	<p>Possible responses may include:</p> <ul style="list-style-type: none"> financial e.g. profit, cash flow marketing e.g. market share, advertising, sales human resources e.g. staffing, training production e.g. productivity, output, quality strategic e.g. growth, provide more services. <p>Exemplar responses:</p> <p>To update its ICT equipment (1) within the next 6 months (1).</p> <p>To increase sales (1) by 2018 (1).</p> <p>To increase market share (1).</p>	2	<p>Up to two marks.</p> <p>One mark for goal. Plus one additional mark for timeframe.</p> <p>Valid goal required to award marks i.e. timeframe mark cannot be awarded alone.</p> <p>Objective must be appropriate to Performance plc e.g. do not award 'become international' (as the text says they already are) or 'use databases' (as they already do). However, award 'expand to another country' or 'install a new database'.</p> <p>Accept suggestions of profit figures or monthly output which are low because candidates are not expected to grasp the magnitude of the business.</p>
3	b	<p>Possible responses may include:</p> <ul style="list-style-type: none"> to set targets to monitor progress to clarify thinking to provide focus to give purpose to plan to make progress to measure success to improve the business/to make the business better for continual improvement to provide direction to employees to unify goals to clarify/share goals to keep control to increase productivity use as a stepping stone to aims 	4	<p>In each case, award:</p> <p>Two marks for a reason which consider the time frame of objectives. Annotate ✓✓</p> <p>One mark for a reason which does not consider time frame. Annotate ✓</p> <p>To award for the time frame look for a reference to time or a time period or a reference to 'short term'.</p> <p>Do not award 'long term'.</p> <p>Do not award 'provides a structured work scheme' or 'provides a schedule'.</p> <p>Accept answers written in the inverse or negative e.g. award 'without an objective a business would not be able to measure whether it had made progress in recent months (2).</p>

Question			Answer/Indicative content	Mark	Guidance								
			<ul style="list-style-type: none">to help achieve goalsto motivate staff. <p>Exemplar response: Setting an objective will give the business a target to reach in a specific amount of time (2).</p> <p>Setting objectives allows a business to monitor its progress in the short term (2).</p> <p>Setting business objectives sets targets for staff motivating them to work harder (1).</p>										
3	c		<table><tr><th>Purpose of ICT</th><th>Type of ICT (A, B, C, D or E)</th></tr><tr><td>To monitor sales</td><td>A</td></tr><tr><td>To store employee details</td><td>B</td></tr><tr><td>To link computer equipment</td><td>E</td></tr></table>	Purpose of ICT	Type of ICT (A, B, C, D or E)	To monitor sales	A	To store employee details	B	To link computer equipment	E	3	<p>One mark for each correct identification, up to a maximum of three identifications.</p> <p>Contradictory response rule applies (see page 2 of mark scheme). Candidates are not permitted to select more than one type of ICT per purpose. In such cases award zero for that specific part of the question.</p>
Purpose of ICT	Type of ICT (A, B, C, D or E)												
To monitor sales	A												
To store employee details	B												
To link computer equipment	E												

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
3	d	*	<p>Possible responses may include:</p> <p>Potential benefits:</p> <ul style="list-style-type: none"> labour saving/time saving fewer staff required impact on training cost saving faster system/quantity of output greater efficiency improved quality of output minimises routine tasks motivation benefits improved analysis of data marketing benefits environmental benefits reach more customers e.g. online. <p>Exemplar response:</p> <p>Name of business: Mia's Corner Shop Activity of business: Retail</p> <p>Mia could install a new stock monitoring system. This would allow her to see at a click of a button what food (CONT) needs to be ordered for her shop saving time (L1), improving productivity (L2). The system should ensure that the shop is always fully stocked (L1), improving customer service (L2), leading to greater sales (L3). It</p>	10	<p>Read for context first. The context for this question is the candidate's chosen business.</p> <p>Look for more than name dropping.</p> <p>Look for references to the candidates chosen business, for example the business' product, service, location, named competitors or type of business e.g. store, shop, production-line, factory, farm, check-out, tills, etc.</p> <p>Annotate most specific example as 'CONT'.</p> <p>Do not award the name of the business or generic ICT as context.</p> <p>Contextual wording must be found in the candidate's response to move above 4 marks i.e. not just using the business' name with otherwise theoretical evidence nor writing in a way which sounds specific or factual.</p> <p>Level 3 10 marks – candidate makes a justified selection, following at least <u>two</u> analytical points. 9 marks – three or more analytical points made.</p>	<p>QWC (Quality of Written Communication) is assessed in this question. See guidance on Page 6 of this mark scheme.</p> <p>Required annotation: L1, L2, CONT, L3. Use ✓+ for justified decision.</p> <p>Level 3 (7-10 marks) Candidate makes reasoned judgements and/or analysis of the benefits to their chosen business of investing in new ICT equipment and software.</p> <p>Level 2 (5-6 marks) Candidate applies knowledge about the benefits to their chosen business of investing in new ICT equipment and software.</p> <p>Level 2 (3-4 marks) Candidate applies knowledge about the benefits to a business (no context required) of investing in new ICT equipment and software.</p> <p>Level 1 (1-2 marks) Candidate identifies the benefit to a business of ICT equipment and software.</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
			<p>should also prevent wastage (L1) because it will not over order the stock (L2), leading to higher profits (L3).</p> <p>Overall the biggest benefit to Mia is likely to be the time saved as it will free her up to spend more time marketing the business (✓+).</p>		<p>8 marks –two analytical points made.</p> <p>7 marks – one analytical point made.</p> <p>Level 2 (with context) 6 marks – two or more benefits developed in context. 5 marks – one benefit developed in context.</p> <p>Level 2 (no context) 4 marks – explanation of two or more benefits with no context. 3 marks – explanation of one benefit with no context.</p> <p>Level 1 2 marks – identifies two or more benefits. 1 mark – identifies one benefit.</p> <p>0 marks - response does not address the question.</p> <p>NB: An applied answer can go straight to 5 marks (Level 2) if answer is contextual and the potential benefit explained.</p>	<p>Award as follows:</p> <p>L1 for an identification of a benefit.</p> <p>L2 for an explanation of cause of the previous L1 benefit (candidates can enter directly at L2) <u>OR</u> a further implication of the previous L1 benefit.</p> <p>If context found within the answer annotate as CONT and award 5+.</p> <p>L3 for a business-facing consequence of a previous point. (Max one L3 per benefit). Each L3 must be different i.e. do not award repetition.</p> <p>If at least 2 analytical points made award:</p> <p>L4 for a justified selection (annotate ✓+).</p> <p>Please see exemplar response.</p> <p>Do not award disadvantages.</p> <p>NB Candidates are not asked to name a piece of ICT. Therefore,</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
						<p>accept answers relating to production and robotics as the answers are identical e.g. faster, more efficient etc. However, do not award answers to security/theft/surveillance/cameras as their benefits are not the same as the benefits of ICT.</p> <p>NB – L1 do not award ‘uses’. For L1 a benefit is required. Take care they may look similar. E.g. do not award ‘can track customer information’ as this is a use rather than a benefit. However, accept ‘can quickly track customer information’ as this is a benefit.</p> <p>Accept benefits to customers/employees etc for L1. However, L3 must be business-facing.</p>

Question			Answer/Indicative content	Mark	Guidance
4	a		<p>Possible responses may include:</p> <ul style="list-style-type: none"> • increase prices • employ more staff • give a pay rise • increase output • buy more stock • introduce new products • take out a bank loan • begin a new venture • upgrade current facilities • upgrade equipment/ICT • add channels of distribution e.g. e-commerce • increase promotion • increase market research • be innovative • be enterprising. <p>Exemplar responses:</p> <p>A business could increase its prices (1) because consumers are likely to have greater spending power (1).</p> <p>A business could expand its product range (1) in the hope of earning greater profits (1).</p>	4	<p>One mark for each correct identification to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>No context required.</p> <p>One mark for method. One mark for explanation.</p> <p>Accept explanation of cause or consequence.</p> <p>Method required to award marks.</p> <p>Do not award 'opening a new branch' or 'enlarging the factory' as these are excluded by the question.</p> <p>Do not award 'offer deals' or 'reduce prices' as these are not appropriate for an upturn in the economy.</p> <p>Do not award repetition.</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
4	b	*	<p>Possible responses may include:</p> <ul style="list-style-type: none"> • employees – unhappy, angered, demotivated, poor working relationship, strikes/industrial action, unrest, resistant to change, may demand a pay rise, may be 	10	<p>Context: the three stakeholder groups given in the bullet points of the question – Performance plc's employees, local community and shareholders.</p>	<p>QWC (Quality of Written Communication) is assessed in this question. See guidance on Page 6 of this mark scheme.</p>

Question		Answer/Indicative Content	Marks	Guidance	
				Content	Levels of response
		<p>promotion opportunities, may leave, lower productivity, poorer quality.</p> <ul style="list-style-type: none"> local community – complaints, protest, petition, bad publicity, seen as unethical, objection to planning permission. shareholders – sell shares, share price fall, loss of shareholder confidence, funding issues, bad publicity, negative effect on reputation, affect on potential investors. <p>Exemplar response:</p> <p>A business which does not listen to its stakeholders will lose profit (L1). This is because customers will stop buying its products (L2 – no context).</p> <p>If Performance plc fails to listen to its employees (CONT) they may go on strike (L1) because they do not like the proposed changes (L2). Output would fall and may mean that the company could not fulfil its orders to current customers (L3).</p> <p>If Performance plc did not listen to the local community (CONT) they may protest (L1) about the amount of noise and extra traffic throughout the night that the expansion would</p>		<p>There is no definitive answer – not listening to each of these stakeholder groups could be argued to have the greatest impact on Performance plc.</p> <p>Level 3 10 marks – makes a justified decision as to which stakeholder group would have the greatest impact, following analysis of consequences on all 3 stakeholder groups. 9 marks – all 3 stakeholder groups analysed 8 marks – two stakeholder groups analysed. 7 marks – one stakeholder group analysed.</p> <p>Level 2 (with context) 6 marks – explanation of consequences of not listening to two or more stakeholder groups in context. 5 marks – explanation of consequence of not listening to one stakeholder group in context.</p> <p>Level 2 (no context) 4 marks – explanation of two or more consequences of not listening to stakeholders with no context.</p>	<p>Required annotation: L1, L2, CONT, L3. Use ✓+ for justified decision.</p> <p>Level 3 (7-10 marks) Candidate makes a reasoned judgement and/or analysis of the consequence to Performance plc of not listening to its stakeholder group(s).</p> <p>Level 2 (5-6 marks) Candidate applies knowledge about the consequences to Performance plc not listening to its stakeholder group(s).</p> <p>Level 2 (3-4 marks) Candidate applies knowledge about the consequences to a business of not listening to its stakeholders (no context required).</p> <p>Level 1 (1-2 marks) Candidate identifies consequence(s) on a business of not listening to its stakeholders (no context required).</p> <p>Award as follows:</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
			<p>bring (L2). This may lead to media coverage and bad publicity for the company (L3).</p> <p>Shareholders (CONT) may want a high dividend (L1) rather than have all of the company's profits spent on the expansion. If Performance plc does not listen they may sell their shares (L2). This would cause a fall in Performance plc's share price and a loss of investor confidence in the company (L3).</p> <p>The local community is likely to have the greatest impact on Performance plc because the protests could lead to the rejection of planning permission. If this happens the expansion in the heart of the Welsh countryside would not be able to go ahead (✓+).</p>		<p>3 marks – explanation of one consequence of not listening to stakeholders with no context.</p> <p>Level 1 2 marks – identification of two or more consequences (no context required). 1 mark – identification of one consequence (no context required).</p> <p>0 marks - response does not address the question.</p> <p>NB: An applied answer can go straight to 5 marks (Level 2) if an explanation is given about the impact of one of the bullets.</p>	<p>L1 for an identification of a consequence. (Max one L1 per stakeholder group – mark best one).</p> <p>L2 for an explanation of cause of the previous L1 consequence (candidates can enter directly at L2) OR a further implication of the previous L1 consequence. (Max one L2 per stakeholder group – mark best one).</p> <p>If context found within the answer (i.e bulleted stakeholder group) annotate as CONT and award 5+.</p> <p>L3 for a business-facing consequence of a previous point. (Max one L3 per stakeholder group – mark best one). Each L3 must be different i.e. do not award repetition.</p> <p>If 3 consequences analysed award:</p> <p>L4 for a justified selection of a consequence (annotate ✓+).</p> <p>Please see exemplar response.</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
						<p>NB For local community - do not award L1 arguments relating to boycotting or not buying from the business; because it is a producer not a retailer and would sell B2B local residents would not be customers. The point could be awarded at L2 or L3, say, as a consequence of bad publicity of local community complaints.</p> <p>NB The question is about the consequences of not listening to stakeholders. Do not award answers written in the positive i.e. do not award benefits of listening to stakeholder groups.</p>

Question			Answer/Indicative content	Mark	Guidance
4	c		<p>Use level of response criterial.</p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • unable to increase production • lose market share • no longer be market leader • customers lose interest • lose customers to competition • decrease sales • decrease profit • fall in share price • loss of shareholder confidence • get left behind 	4	<p>L2 (3-4 marks) Candidate provides a valid response with context.</p> <p>L1 (1 -2 marks) Candidate provides a valid response with no context.</p> <p>Test for context: what Performance plc makes or the market it operates in. Look for specific reference to the market Performance plc operates in e.g. sport, tennis, goal posts, balls, Nike, Adidas, athletics, football matches, diving boards, bats, racquets, swimming etc. CONT annotation required for L2.</p>

Question			Answer/Indicative content	Mark	Guidance
			<ul style="list-style-type: none"> • be seen as less innovative • business deteriorates • close down • stay the same. <p>Exemplar responses:</p> <p>If the company did not expand it may be left behind a rival sports equipment manufacturer (CONT), limiting the amount of profit which Performance plc can make (L2 – 4 marks).</p> <p>The company could be left behind by more successful sporting (CONT) equipment producers (L2 – 3 marks).</p> <p>If the company did not expand then the business could become insolvent because it has been left behind by the competition (L1 – 2 marks).</p> <p>The company could be left behind by its competitors (L1 – 1 mark).</p>		<p>Do not award 'factory', 'manufacturing', 'production', 'ICT', 'international', '40 years', '20,000 employees' or similar as context. Context must relate to the market Performance plc operates in e.g. sport.</p> <p>Award top of appropriate mark band for a response which explains at least one consequence i.e. has a chain of argument or consequence of consequence.</p> <p>Award bottom of appropriate mark band for a response which states one consequence or lists several consequences i.e. with no chain of argument.</p>

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