



Cambridge
International
AS & A Level

Cambridge Assessment International Education
Cambridge International Advanced Subsidiary and Advanced Level

BUSINESS

9609/23

Paper 2 Data Response

October/November 2019

MARK SCHEME

Maximum Mark: 60

Published

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

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

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

Cambridge International is publishing the mark schemes for the October/November 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **18** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer	Marks																	
1(a)(i)	Define the term ‘secondary research’ (line 20).	2																	
	<table><tr><th>Knowledge and Application</th><th>Marks</th></tr><tr><td>A correct definition</td><td>2</td></tr><tr><td>A partial, vague or unfocused definition</td><td>1</td></tr><tr><td>No creditable content</td><td>0</td></tr></table>		Knowledge and Application	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0									
	Knowledge and Application		Marks																
	A correct definition		2																
	A partial, vague or unfocused definition		1																
	No creditable content		0																
	Content: Existing data (1) which has already been gathered and organised for another purpose(1)																		
	No examples to be credited																		
	ARA																		
	<table><tr><th>Exemplar</th><th>Mark</th><th>Rationale</th></tr><tr><td>Using existing data (1) Collected for another purpose/reason (1)</td><td>2</td><td>Two separate defined points</td></tr><tr><td>already gathered (1) for another purpose (1)</td><td>2</td><td>Two separate defined points</td></tr><tr><td>Gathered by another business</td><td>1</td><td>One element only</td></tr><tr><td>Using existing data</td><td>1</td><td>One element only</td></tr><tr><td>Second hand research/data</td><td>0</td><td>Tautological</td></tr></table>		Exemplar	Mark	Rationale	Using existing data (1) Collected for another purpose/reason (1)	2	Two separate defined points	already gathered (1) for another purpose (1)	2	Two separate defined points	Gathered by another business	1	One element only	Using existing data	1	One element only	Second hand research/data	0
Exemplar	Mark	Rationale																	
Using existing data (1) Collected for another purpose/reason (1)	2	Two separate defined points																	
already gathered (1) for another purpose (1)	2	Two separate defined points																	
Gathered by another business	1	One element only																	
Using existing data	1	One element only																	
Second hand research/data	0	Tautological																	

Question	Answer	Marks																																	
1(a)(ii)	Explain the ‘buffer inventory control method’ of managing inventory (lines 5–6). <table> <tr> <th></th><th>Knowledge and Application</th><th>Marks</th></tr> <tr> <td>C *</td><td>E.g. or some other way of showing good understanding; variations in supply, demand and/or production</td><td>1</td></tr> <tr> <td>B</td><td>For unanticipated/unexpected/unplanned situations</td><td>1</td></tr> <tr> <td>A</td><td>Excess stock/safety margin of stock kept</td><td>1</td></tr> <tr> <td></td><td>No creditable content</td><td>0</td></tr> </table> * use cannot be credited without explanation of the term (A and B) Content: Keeping safety stock, (A) extra stock that is maintained to reduce the risk of a shortfall in components (B) due to uncertainties in supply and demand. (C) <table> <tr> <th>Exemplar</th><th>Mark</th><th>Rationale</th></tr> <tr> <td>a level of excess stock that is maintained (A) to reduce the risk of a shortfall in components (B) due to uncertainties in supply and demand (C)</td><td>3</td><td>A,B and C visible</td></tr> <tr> <td>Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B) to ensure that the firm can produce enough product for orders (C)</td><td>3</td><td>A,B and C visible</td></tr> <tr> <td>Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B)</td><td>2</td><td>A and B only –No example or understanding</td></tr> <tr> <td>a level of extra stock that is maintained (A)</td><td>1</td><td>A only</td></tr> <tr> <td>Stock you don’t need to use</td><td>0</td><td>Too vague</td></tr> </table>		Knowledge and Application	Marks	C *	E.g. or some other way of showing good understanding; variations in supply, demand and/or production	1	B	For unanticipated/unexpected/unplanned situations	1	A	Excess stock/safety margin of stock kept	1		No creditable content	0	Exemplar	Mark	Rationale	a level of excess stock that is maintained (A) to reduce the risk of a shortfall in components (B) due to uncertainties in supply and demand (C)	3	A,B and C visible	Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B) to ensure that the firm can produce enough product for orders (C)	3	A,B and C visible	Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B)	2	A and B only –No example or understanding	a level of extra stock that is maintained (A)	1	A only	Stock you don’t need to use	0	Too vague	3
	Knowledge and Application	Marks																																	
C *	E.g. or some other way of showing good understanding; variations in supply, demand and/or production	1																																	
B	For unanticipated/unexpected/unplanned situations	1																																	
A	Excess stock/safety margin of stock kept	1																																	
	No creditable content	0																																	
Exemplar	Mark	Rationale																																	
a level of excess stock that is maintained (A) to reduce the risk of a shortfall in components (B) due to uncertainties in supply and demand (C)	3	A,B and C visible																																	
Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B) to ensure that the firm can produce enough product for orders (C)	3	A,B and C visible																																	
Safety margin of stock held (A) when there is uncertainty in demand, supply, or manufacturing output (B)	2	A and B only –No example or understanding																																	
a level of extra stock that is maintained (A)	1	A only																																	
Stock you don’t need to use	0	Too vague																																	

Question	Answer	Marks																												
1(b)(i)	Refer to Table 1.1. Calculate the forecast gross profit margin on the retail sale of bicycles. <table><tr><th>Rationale</th><th>Marks</th></tr><tr><td>Correct answer</td><td>3</td></tr><tr><td>Formula and data used correctly (based on OFR)</td><td>2</td></tr><tr><td>Attempt (e.g. formula or identifies data) or correctly calculated gross profit (\$180)</td><td>1</td></tr><tr><td>No creditable content</td><td>0</td></tr></table> e.g. formula: $\frac{(\text{Revenue} - \text{cost of goods sold})}{\text{Revenue}} \times 100$ (1 mark) $\\$300 - \\$120 = \\$180$ $\frac{\\$180}{300} (\times 100$ (2 marks) = 60% (with or without working and % (3 marks) Exemplar answers <table><tr><th>Answer</th><th>Mark</th><th>Rationale</th></tr><tr><td>60 (%)</td><td>3</td><td>Correct answer</td></tr><tr><td>0.6</td><td>2</td><td>1 ,mistake – no $\times 100$</td></tr><tr><td>$(180/300) \times 100$</td><td>2</td><td>Correct use of figures</td></tr><tr><td>$(\text{rev}-\text{COGS})/\text{rev} \times 100$</td><td>1</td><td>Formula</td></tr><tr><td>$\text{Gross profit}/\text{revenue} \times 100$</td><td>1</td><td>Correct formula</td></tr></table>	Rationale	Marks	Correct answer	3	Formula and data used correctly (based on OFR)	2	Attempt (e.g. formula or identifies data) or correctly calculated gross profit (\$180)	1	No creditable content	0	Answer	Mark	Rationale	60 (%)	3	Correct answer	0.6	2	1 ,mistake – no $\times 100$	$(180/300) \times 100$	2	Correct use of figures	$(\text{rev}-\text{COGS})/\text{rev} \times 100$	1	Formula	$\text{Gross profit}/\text{revenue} \times 100$	1	Correct formula	3
Rationale	Marks																													
Correct answer	3																													
Formula and data used correctly (based on OFR)	2																													
Attempt (e.g. formula or identifies data) or correctly calculated gross profit (\$180)	1																													
No creditable content	0																													
Answer	Mark	Rationale																												
60 (%)	3	Correct answer																												
0.6	2	1 ,mistake – no $\times 100$																												
$(180/300) \times 100$	2	Correct use of figures																												
$(\text{rev}-\text{COGS})/\text{rev} \times 100$	1	Formula																												
$\text{Gross profit}/\text{revenue} \times 100$	1	Correct formula																												

Question	Answer	Marks																								
1(b)(ii)	Explain <u>one</u> function of John's role as an operations manager. <table> <tr> <th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr> <tr> <td>2 APP</td><td>Explanation of an Operations management function in context</td><td>3</td></tr> <tr> <td>1b K+K</td><td>Explanation of a management function</td><td>2</td></tr> <tr> <td>1a K</td><td>Identification of a management function</td><td>1</td></tr> <tr> <td>0</td><td>No creditable content</td><td>0</td></tr> </table> Content - May mention one of Mintzberg's functions of management (Figurehead, Leader, Liaison Monitor, Disseminator, Spokesperson, Entrepreneur, Disturbance Handler, Resource Allocator, Negotiator) but for context mark must refer to operations. - Operations manager functions such as producing the right amount of a good or service, at the right time, of the right quality and at the right cost to meet customer requirements. ARA Example of how responses should be marked <table> <tr> <th>Identification of a function (1 mark)</th><th>Explanation of a function (+1 mark)</th><th>Explanation of a function in context (+1 mark)</th></tr> <tr> <td>Any one of Mintzbergs functions e.g. leader</td><td>motivating the employees</td><td>Such as the salaried sales staff</td></tr> <tr> <td>Ensuring stock control / inventory levels</td><td>To ensure adequate levels for production / not too much</td><td>By regulating the buffer stock efficiently</td></tr> </table>	Level	Knowledge and Application	Marks	2 APP	Explanation of an Operations management function in context	3	1b K+K	Explanation of a management function	2	1a K	Identification of a management function	1	0	No creditable content	0	Identification of a function (1 mark)	Explanation of a function (+1 mark)	Explanation of a function in context (+1 mark)	Any one of Mintzbergs functions e.g. leader	motivating the employees	Such as the salaried sales staff	Ensuring stock control / inventory levels	To ensure adequate levels for production / not too much	By regulating the buffer stock efficiently	3
Level	Knowledge and Application	Marks																								
2 APP	Explanation of an Operations management function in context	3																								
1b K+K	Explanation of a management function	2																								
1a K	Identification of a management function	1																								
0	No creditable content	0																								
Identification of a function (1 mark)	Explanation of a function (+1 mark)	Explanation of a function in context (+1 mark)																								
Any one of Mintzbergs functions e.g. leader	motivating the employees	Such as the salaried sales staff																								
Ensuring stock control / inventory levels	To ensure adequate levels for production / not too much	By regulating the buffer stock efficiently																								

Question	Answer					Marks
1(c)	Analyse <u>two</u> methods which could be used to improve the motivation of BB's sales staff					8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks	
	2b	Shows understanding of two motivation methods could be used for BB's sales staff	4	Developed analysis of two motivational methods that BB could use to motivate its sales staff	4	
	2a	Shows understanding of one motivation method could be used for BB's sales staff	3	Developed analysis of one motivational method that BB could use to motivate its sales staff	3	
	1b	Shows knowledge of two motivation methods	2	Limited analysis of two motivational methods that BB could use to motivate its sales staff	2	
	1a	Shows knowledge of one motivation method	1	Limited analysis of one motivational method that BB could use to motivate its sales staff	1	
	0	No creditable content			0	
ARA May mention financial and/non-financial motivators. Content: • Salaried employees so could change to include commission payments • Set sales target with a bonus for meeting target • Offer a profit-sharing scheme • Re-train as sales staff rely on repeat custom so training in attracting new customers • Encourage participation in identifying new outlets especially if go ahead with the new design • Fringe benefits such as a company car to go and meet new customers • Provide more promotion opportunities • May refer to needs such as self-actualisation						

Question	Answer				Marks
1(c)					
	K	APP*	AN	DEV	
	Targets & bonus	For the new foldable bike/ To find new (ind) bike retailers	Which would provide financial incentives	But may lead to mis-selling/ hard sales tactics	
	Commission	Based on how many bikes sold	Which would reduce the safety of a salary	And force staff to look for new customers	
	Retraining	To upskill selling skills to new bike retailers	So employees would be more confident approaching new customers	And building a wider customer base	
	Fringe benefits	Provide company cars to approach new bike retailers	But may be expensive	And reduce 50% gross profit margins	
*For app, 'customer' is too vague, needs reference to 'bike retailers'					

Question	Answer				Marks
1(d)	Recommend which proposal for increasing revenue the Directors of BB should choose. Justify your recommendation.				11
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified recommendation based on arguments in context	7	
			Developed recommendation based on arguments in context	6	
			An evaluative statement/ recommendation based on arguments in context	5	
	Understanding of two factors in decision making in context	4	Argument based on two factors of decision making in context	4	
	Understanding of one factor in decision making in context	3	Argument based on one factor of decision making in context	3	
	Knowledge of two factors of decision making by firms	2	limited analysis of two factors of decision making by firms	2	
	Knowledge of one factor of decision making by firms	1	limited analysis of one factor of decision making by firms	1	

Question	Answer	Marks														
1(d)	<i>Context must be explicit not just implied based on the 3 proposals – new product/market, stock management and/or motivation of sales employees</i> Context/content: • Moneeb – Change inventory control to JIT, retail sales, improved gross profit margin, utilise spare capacity. Is the location suitable for retail? How easy to re-organise stock system? Implied criticism of stock manager. Requires investment. • Lia – new design of foldable bike/bicycle/cycle, growing niche market, premium prices could lead to higher profit. Risky as not known in that market. Will require marketing campaign – extra costs. Needs more research. Requires investment. • Allow candidates to use Johns contribution as a proposal <table><tr><th>K</th><th>APP</th><th>AN</th><th>DEV</th><th>EVAL</th></tr><tr><td>gross profit margin</td><td>50% for the folding bike</td><td>More stock – already high inventory</td><td>Opportunity cost of stock held (Re-purpose of existing stock)</td><td rowspan="2">Should choose folding bikes because area of expertise and has existing sales channels, may not have enough capital to invest in new shop</td></tr><tr><td>Marketing knowledge</td><td>B2B only – no knowledge of consumer sales</td><td>Risky as have to start from nothing</td><td>Have to compete against established companies.</td></tr></table>	K	APP	AN	DEV	EVAL	gross profit margin	50% for the folding bike	More stock – already high inventory	Opportunity cost of stock held (Re-purpose of existing stock)	Should choose folding bikes because area of expertise and has existing sales channels, may not have enough capital to invest in new shop	Marketing knowledge	B2B only – no knowledge of consumer sales	Risky as have to start from nothing	Have to compete against established companies.	
K	APP	AN	DEV	EVAL												
gross profit margin	50% for the folding bike	More stock – already high inventory	Opportunity cost of stock held (Re-purpose of existing stock)	Should choose folding bikes because area of expertise and has existing sales channels, may not have enough capital to invest in new shop												
Marketing knowledge	B2B only – no knowledge of consumer sales	Risky as have to start from nothing	Have to compete against established companies.													

Question	Answer	Marks																							
2(a)(i)	Define the term ‘social enterprise’ (line 5). <table><tr><th>Knowledge and Application</th><th>Marks</th></tr><tr><td>A correct definition</td><td>2</td></tr><tr><td>A partial, vague or unfocused definition</td><td>1</td></tr><tr><td>No creditable content</td><td>0</td></tr></table> Content • A business that uses profit (1) for the benefit of the community (1) • ARA <table><tr><th>Exemplar</th><th>Mark</th><th>Rationale</th></tr><tr><td>Profits are used for the community/beneficiary and not just for shareholder dividends</td><td>2</td><td>Two points made</td></tr><tr><td>Profit is not the main aim, main aim is to benefit society/beneficiary</td><td>2</td><td>Two points made</td></tr><tr><td>Triple bottom line: social, environmental and financial</td><td>1</td><td>Only one element; not explicit</td></tr><tr><td>The business does not make profits</td><td>0</td><td>incorrect</td></tr></table>	Knowledge and Application	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Mark	Rationale	Profits are used for the community/beneficiary and not just for shareholder dividends	2	Two points made	Profit is not the main aim, main aim is to benefit society/beneficiary	2	Two points made	Triple bottom line: social, environmental and financial	1	Only one element; not explicit	The business does not make profits	0	incorrect	2
Knowledge and Application	Marks																								
A correct definition	2																								
A partial, vague or unfocused definition	1																								
No creditable content	0																								
Exemplar	Mark	Rationale																							
Profits are used for the community/beneficiary and not just for shareholder dividends	2	Two points made																							
Profit is not the main aim, main aim is to benefit society/beneficiary	2	Two points made																							
Triple bottom line: social, environmental and financial	1	Only one element; not explicit																							
The business does not make profits	0	incorrect																							

Question	Answer	Marks																											
2(a)(ii)	Explain the term “crowd funding” (line 6). Award one mark for each point of explanation <table> <tr> <th></th><th>Rationale</th><th>Marks</th></tr> <tr> <td>C</td><td>E.g. or some other way of showing good understanding; Often using the internet ; may be incentives; Many small investors</td><td>3</td></tr> <tr> <td>B</td><td>Each investor contributes a small amount</td><td>2</td></tr> <tr> <td>A</td><td>Source of finance/investment</td><td>1</td></tr> <tr> <td></td><td>No creditable content</td><td>0</td></tr> </table> B and C does not require the A mark to be present Answers could include: Raising money for a project or venture, (A) from a large number of people, who each contribute a relatively small amount, (B) typically via the Internet. (C) <table> <tr> <th></th><th>Mark</th><th>Rationale</th></tr> <tr> <td>A source of finance, where many small investors each contribute a small amount for benefits such as being able to buy the first production run</td><td>3</td><td>All three elements covered</td></tr> <tr> <td>A source of finance where many small investors each contribute a small amount for benefits</td><td>2</td><td>Point A and B</td></tr> <tr> <td>Many small investors</td><td>1</td><td>Point C only</td></tr> </table>		Rationale	Marks	C	E.g. or some other way of showing good understanding; Often using the internet ; may be incentives; Many small investors	3	B	Each investor contributes a small amount	2	A	Source of finance/investment	1		No creditable content	0		Mark	Rationale	A source of finance, where many small investors each contribute a small amount for benefits such as being able to buy the first production run	3	All three elements covered	A source of finance where many small investors each contribute a small amount for benefits	2	Point A and B	Many small investors	1	Point C only	3
	Rationale	Marks																											
C	E.g. or some other way of showing good understanding; Often using the internet ; may be incentives; Many small investors	3																											
B	Each investor contributes a small amount	2																											
A	Source of finance/investment	1																											
	No creditable content	0																											
	Mark	Rationale																											
A source of finance, where many small investors each contribute a small amount for benefits such as being able to buy the first production run	3	All three elements covered																											
A source of finance where many small investors each contribute a small amount for benefits	2	Point A and B																											
Many small investors	1	Point C only																											

Question	Answer	Marks																						
2(b)(i)	Refer to Tables 2.1 and 2.2. Calculate Nadia’s forecast profit for 2020. <table><tr><th>Rationale</th><th>Marks</th></tr><tr><td>Correct answer</td><td>3</td></tr><tr><td>Correctly calculates total revenue</td><td>2</td></tr><tr><td>Attempt (e.g. formula or identifies data)</td><td>1</td></tr><tr><td></td><td>0</td></tr></table> e.g. Revenue – (total costs) = profit (1 mark) Revenue – (direct costs) = profit Revenue = (225 × \$25) + (175 × \$200) + (125 × \$275) = \$75 000 (2 marks) \$75 000 – (\$30 000 + \$15 000) = \$30 000 (profit for the year) (3 marks) \$75 000 – \$30 000 = \$45 000 (gross profit) Accept either gross profit or Profit for the year figures Common incorrect answers <table><tr><th>Answer</th><th>Mark</th><th>Rationale</th></tr><tr><td>30 000 or 30</td><td>3</td><td>Dollar sign and ‘000 not required</td></tr><tr><td>45 000 or 45</td><td>3</td><td>Dollar sign and ‘000 not required</td></tr><tr><td>75 000 or 75</td><td>2</td><td>Dollar sign, ‘000 and working not required (as a recognisable figure)</td></tr></table>	Rationale	Marks	Correct answer	3	Correctly calculates total revenue	2	Attempt (e.g. formula or identifies data)	1		0	Answer	Mark	Rationale	30 000 or 30	3	Dollar sign and ‘000 not required	45 000 or 45	3	Dollar sign and ‘000 not required	75 000 or 75	2	Dollar sign, ‘000 and working not required (as a recognisable figure)	3
Rationale	Marks																							
Correct answer	3																							
Correctly calculates total revenue	2																							
Attempt (e.g. formula or identifies data)	1																							
	0																							
Answer	Mark	Rationale																						
30 000 or 30	3	Dollar sign and ‘000 not required																						
45 000 or 45	3	Dollar sign and ‘000 not required																						
75 000 or 75	2	Dollar sign, ‘000 and working not required (as a recognisable figure)																						

Question	Answer	Marks																								
2(b)(ii)	Explain one way in which Nadia can use the internet for her marketing campaign. <table> <tr> <th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr> <tr> <td>2 (APP)</td><td>Explanation of an internet based marketing method in context</td><td>3</td></tr> <tr> <td>1b (K × K)</td><td>Explanation of an internet based marketing method</td><td>2</td></tr> <tr> <td>1a (K)</td><td>Identification of an internet based marketing method</td><td>1</td></tr> <tr> <td>0</td><td>No creditable content</td><td>0</td></tr> </table> Context and content is likely to come from: • Ads on internet sites – internet based business, above the line – expensive, can they afford this given low profits • Below the line – target students or parents? Contact schools/colleges? • Social media, viral marketing. Example of how responses should be marked <table> <tr> <th>Identification of one method of internet marketing</th><th>Explanation of an internet based marketing method</th><th>Explanation of an internet based marketing method in context</th></tr> <tr> <td>Ads on internet sites</td><td>Above the line method</td><td>As this is an internet based business</td></tr> <tr> <td>Social media</td><td>Viral marketing</td><td>As A-Level students often use social media</td></tr> </table>	Level	Knowledge and Application	Marks	2 (APP)	Explanation of an internet based marketing method in context	3	1b (K × K)	Explanation of an internet based marketing method	2	1a (K)	Identification of an internet based marketing method	1	0	No creditable content	0	Identification of one method of internet marketing	Explanation of an internet based marketing method	Explanation of an internet based marketing method in context	Ads on internet sites	Above the line method	As this is an internet based business	Social media	Viral marketing	As A-Level students often use social media	3
Level	Knowledge and Application	Marks																								
2 (APP)	Explanation of an internet based marketing method in context	3																								
1b (K × K)	Explanation of an internet based marketing method	2																								
1a (K)	Identification of an internet based marketing method	1																								
0	No creditable content	0																								
Identification of one method of internet marketing	Explanation of an internet based marketing method	Explanation of an internet based marketing method in context																								
Ads on internet sites	Above the line method	As this is an internet based business																								
Social media	Viral marketing	As A-Level students often use social media																								

Question	Answer				Marks
2(c)	Analyse <u>two</u> ways in which emotional intelligence may help Nadia be an effective leader.				8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
	2b	Understanding of two elements of emotional intelligence in context	4	Developed analysis of two ways a leader can use emotional intelligence in context	4
	2a	Understanding of one element of emotional intelligence in context	3	Developed analysis of one way a leader can use emotional intelligence in context	3
	1b	Shows knowledge of two elements of emotional intelligence	2	Limited analysis of two ways a leader can use emotional intelligence	2
	1a	Shows knowledge of one element of emotional intelligence	1	Limited analysis of one way a leader can use emotional intelligence	1
	0	No creditable content			0
Knowledge – Emotional Intelligence (EI) • recognising and managing your emotions and those of others. • Goleman’s four competencies of emotional intelligence: – self-awareness, – self-management, – social awareness, and – social skills. Application and analysis– linked to one aspect of knowledge • Nadia’s leadership of a start-up internet business employing a young staff – lack of experience. • All staff are part-time so important to manage well, keep happy and ensure good customer relations. • Staff unlikely to have many opportunities to meet as working from home which can be alienating and a leader should recognise this and take action to help develop a team spirit/engage employees.					

Question	Answer				Marks
2(c)					1
	K	APP	AN	DEV	
	Self-awareness	Has identified laissez faire management style	Which may not be suitable for a growing business	So can adapt to a more suitable method	
	Awareness of employee needs	Tutors are remote workers and	may not feel a connection with the business	Which could lead to poor tutor engagement	
	1. Self–Awareness without any obstruction. She will be able to recognise emotions as they arise in response to an action or situation. As a result, she will be in a better position to address problems/future complications. 2. Self–Management Will help Nadia stay in control so that she is unlikely to make hasty decisions or let her anger take over her behavior. This will help her to maintain respect from her employees. 3. Social Awareness Nadia should be aware of the emotions of others and able to pick up on what is going on around her. She should be able to sympathise with others and give helpful feedback. This is a critical skill for leaders, who work closely to inspire and motivate a team. If the leader is unable to empathise with their employees, she will find it difficult to obtain respect or loyalty. 4. Social skills Nadia should be able to clearly convey directions and know what to say in order to inspire and motivate others. An important skill for leaders, communication can be a deciding factor in whether the team listens or not. She should be able to handle any disagreements that arise between employees, customers, and other parties. In conjunction with the above skills, leaders can use their emotional intelligence to develop a more effective workplace.				

Question	Answer				Marks
2(d)	Evaluate whether Nadia should form a business partnership with Emma				11
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified evaluation based on arguments in context	7	
			Developed evaluation based on arguments in context	6	
			An evaluative statement based on arguments in context	5	
	Shows understanding of two characteristics of legal ownership in context	4	Arguments based on changing legal ownership in context	4	
	Shows understanding of one characteristic of legal ownership in context	3		3	
	Shows knowledge of two characteristics of legal ownership	2	limited analysis of changing legal ownership	2	
	Shows knowledge of one characteristic of legal ownership	1		1	

Question	Answer	Marks															
2(d)	Context must be explicit not just implied and based on the leadership styles, structure of the firm and changing from sole trader to partnership Context/content: • Leadership styles may clash – autocratic v laissez-faire/Loss of control/Conflict may arise • Nadia will have to share profits (forecast only \$30k/45k profit) • Emma may not want to form a business partnership with Nadia. She may have a job she is happy with or she may have her own business • Emma could contribute additional capital but does she have enough resources to ‘buy-in’? • Emma’s skills and expertise could complement Nadia’s / Decision making shared • Shared risks • Help Nadia to expand the business • Running a business is not the same as leading a group project – Emma may not be as skilled in business <table><tr><th>K</th><th>APP</th><th>AN</th><th>DEV</th><th>EVAL</th></tr><tr><td>Sole trader makes all business decisions</td><td>Emma often takes charge</td><td>And an autocratic leadership style could disenfranchise casual employees</td><td>Which may affect employee retention and recruitment</td><td>Nadia should form a business partnership as she has identified her leadership style is not appropriate (EVAL)</td></tr><tr><td>Partnership profits are shared</td><td>Nadia will have to share profits (forecast only \$30/45k profit)</td><td>So Emma may want to charge more</td><td>Which could take the focus away from the social enterprise.</td><td>And Emma could take control of employee and task management (EVAL EVAL) Leaving Nadia free to concentrate on other aspects such as marketing and growth.</td></tr></table>	K	APP	AN	DEV	EVAL	Sole trader makes all business decisions	Emma often takes charge	And an autocratic leadership style could disenfranchise casual employees	Which may affect employee retention and recruitment	Nadia should form a business partnership as she has identified her leadership style is not appropriate (EVAL)	Partnership profits are shared	Nadia will have to share profits (forecast only \$30/45k profit)	So Emma may want to charge more	Which could take the focus away from the social enterprise.	And Emma could take control of employee and task management (EVAL EVAL) Leaving Nadia free to concentrate on other aspects such as marketing and growth.	
K	APP	AN	DEV	EVAL													
Sole trader makes all business decisions	Emma often takes charge	And an autocratic leadership style could disenfranchise casual employees	Which may affect employee retention and recruitment	Nadia should form a business partnership as she has identified her leadership style is not appropriate (EVAL)													
Partnership profits are shared	Nadia will have to share profits (forecast only \$30/45k profit)	So Emma may want to charge more	Which could take the focus away from the social enterprise.	And Emma could take control of employee and task management (EVAL EVAL) Leaving Nadia free to concentrate on other aspects such as marketing and growth.													