Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/14**

Paper 1 Short Answer and Essay **May/June 2021**

MARK SCHEME

Maximum Mark: 40

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 May/June 2021 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

9609 Paper 1 Specific Marking Principles

Marks are awarded for each answer when the following Assessment Objectives (AO) are met. The mark scheme for each answer indicates when and how each AO can be met.

AO1 – Demonstrate knowledge and understanding of business concepts.
The focus in Section A of the Examination Paper is on this first AO.

(a) Questions 1, 2, and 4 will meet this AO using definitions and explanations of business concepts.
(b) Question 3 provides an opportunity for the application and a more developed explanation of a business concept. The 4–5-mark level specifically provides for this more developed explanation.

In Section B of the Examination Paper

(a) Questions 5, 6, and 7 still require supporting Knowledge and Understanding (AO1), but there is now a focus on **Application (AO2), Analysis (AO3),** and **Evaluation (AO4).** These skills are set out below:

AO2 – Apply knowledge and understanding of business concepts to general and specific situations and contexts.

(a) Where a specific business or context is named in the question then the candidate is required to relate answers specifically to this business or context.
(b) It is not sufficient to merely repeat the name of the business or the context.

AO3 – Analyse business problems, issues, situations and contexts, through a discussion and interpretation of evidence, debate, theory, impact and consequence, to produce reasoned and coherent arguments.

(a) Level 3 answers will likely use terms such as – because, leads to, therefore, so that, as a result, consequently – thereby showing analytical development for AO3.

AO4 – Limited Evaluation is given
(a) When an attempt is made, (probably in a concluding section of an answer), to address and comment on the value and validity of the previous analysis.
(b) These comments may be quite brief and be more opinionated than reasoned.
(c) A mere concluding summary of preceding analysis is, however, not evaluation.

AO4 – Evaluation occurs
(a) When an answer comments on the validity/significance of previous analysis in an evidence based and reasoned way.
(b) This often leads to the presentation of appropriate substantiated judgements, decisions, or recommendations.

9609 Paper 11, 12 and 13

Annotations and their Use

Annotation	Use
✓	As an indication of relevant and rewardable content. Better to put these in the body of the answer.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
BOD	Used when the benefit of the doubt is given in order to reward a response.
TV	Used when parts of the answer are considered to be too vague.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates that there is specific application to the context of the question.
AN	Indicates where the answer has demonstrated analysis.
EVAL	Indicates where the answer has demonstrated evaluation.
REP	This indicates where content has been repeated.
SEEN	Indicates that content has been recognised but not rewarded.

Question	Answer	Marks
1(a)	**Define the term 'market research'.** • process of collecting and/or analysing data (1) • researching customers/competitors/products/market(s) (1) • collecting primary and secondary data (1) • identifying aspects of the market to aid decision-making (1) • identifying customer needs (1) • using research methods such as surveys, interviews, internet, product testing, government publications (1) • example – when setting up a new business (1) Sound definition 2 of the factors listed above (2 marks) Partial definition 1 of the factors listed above (1 mark) No creditable content (0 marks)	2
1(b)	**Explain <u>two</u> reasons why a business might use secondary market research data.** *Answers could include:* • Secondary market research data is already compiled and organised • Information is often valuable and well researched • There is extensive data available especially on the internet • It is likely to be cost effective and is sometimes free • Often it is very accurate and thorough and worth paying for • Gives detail of market share, product markets etc • Very useful for assessing new product markets • Can be used as a basis for more specific primary research • Can help identify gaps, costs and for forming ideas • **Accept any other valid response.** Sound explanation of **two** reasons why a business might use secondary market research data. (3 marks) Sound explanation of **one** reason why a business might use secondary market research data or partial explanation of **two** reasons. (2 marks) Partial explanation of **one** reason why a business might use secondary market research data or a list of **two** reasons. (1 mark) No creditable content (0 marks)	3

Question	Answer	Marks
2(a)	**Define the term 'economies of scale'.** • reduction in costs of production (1) • resulting from an increase in the scale of operations (1) • internal and external economies of scale (1) • the inverse relation between the quantity produced and the per unit fixed costs (1) • correct diagram showing economies of scale (2) Sound definition 2 of the factors listed above (2 marks) Partial definition 1 of the factors listed above (1 mark) No creditable content (0 marks)	2
2(b)	**Explain <u>two</u> possible causes of diseconomies of scale.** *Answers could include:* • Goods produced at increased per unit costs – long run average costs rise with increased production • Poor communication in a (large) business – lack of efficient flows of information – time lags • Lack of cooperation-alienation in a large business • Workers bored and demotivated in a large business • Lack of control in a large business • Poor management • Lack of coordination of departments and divisions in a large business • **Accept any other valid response.** Some candidates may describe diseconomies under a classification of internal diseconomies such as technical, product, financial, marketing. And/or external diseconomies such as strains on infrastructure, pollution, higher factor prices. These are valid responses – with explanation. Sound explanation of **two** possible causes of diseconomies of scale. (3 marks) Sound explanation of **one** possible cause of diseconomies of scale or partial explanation of **two** possible causes. (2 marks) Partial explanation of **one** possible cause of diseconomies of scale or a list of **two** possible causes. (1 mark) No creditable content (0 marks)	3

Question	Answer	Marks
3	**Explain the benefits to a business of workforce planning.** *Answers could include:* • Defined as the analysis and forecasting of the numbers and skills of employees that will be required by a business to achieve its objectives in the future • Most businesses have a range of differently skilled employees, each playing a key role • Important to have effective methods of calculating future staffing needs to consider movement of staff, retirement etc • Need to plan ahead to recruit and retain an appropriate workforce • Need to consider changing conditions of service and implications of sickness, absenteeism and quality of work-life balance • Changing nature/shortage of specialist skills • **Accept any other valid response** Effective explanation of the benefits to a business of workforce planning. (4–5 marks) Limited explanation of the benefits to a business of workforce planning. (2–3 marks) Explanation of workforce planning. (1 mark) No creditable content (0 marks)	**5**

Question	Answer	Marks
4(a)	**Define the term 'strategy'.** • Decision / plan of action / long-term plan (1) • A plan/method designed to achieve (overall) business aim / goals (1) • Giving a business vision and direction (1) • For the whole business (1) • E.g. such as pricing/marketing strategy (1) Sound definition 2 of the factors listed above (2 marks) Partial definition 1 of the factors listed above (1 mark) No creditable content (0 marks)	**2**

Question	Answer	Marks
4(b)	**Explain <u>two</u> stages of business decision-making.** *Answers could include:* • Consideration of objectives • Identification/analysis of problems • Involve stakeholders in decision-making • Collection of information and ideas • Analysis of information and ideas • Formulation of alternative courses of action • Choice of alternative courses of action – make a decision • Implementation and communication of a decision • Evaluation of the results of the decision • **Accept any other valid response** Sound explanation of **two** stages of business decision-making. (3 marks) Sound explanation of **one** stage of business decision-making or partial explanation of **two** stages. (2 marks) Partial explanation of **one** stage of business decision-making or a list of **two** stages. (1 mark) No creditable content (0 marks)	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>

Analyse why it is considered important for a business to have human resource (HR) policies on diversity and equality.

Level	Description	Marks
4	Good analysis of why it is considered important for a business to have human resource (HR) policies on diversity and/or equality	7–8
3	Limited analysis of why it is considered important for a business to have human resource (HR) policies on diversity / equality	5–6
2	Application of why it is considered important for a business to have human resource (HR) policies on diversity / equality	3–4
1	Knowledge and understanding of human resource (policies) / diversity / equality	1–2
0	No creditable content.	0

Answers could include:

Knowledge and Understanding 2 marks
- Clear understanding of human resource (policies).
- Clear understanding of diversity.
- Clear understanding of equality.

Application 2 marks
- Reference to the use of human resource (policies).
- Reference to diversity and equality in a business.

Analysis 4 marks
- Equality – breaking down barriers, eliminating discrimination, ensuring equal opportunity and access for all groups in the business
- Aim to outlaw discrimination on grounds of gender, marital status, sexual orientation, race, colour, nationality, religion, age, disability, political beliefs
- Diversity – celebrating differences and valuing all people
- Any person with visible and invisible differences valued and respected.
- There are increasing levels of legal requirements relating to equality and diversity. These will vary between countries and regions
- Distinctive policies also developed to reflect the different values of business and embedded in employee working practices

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Question	Answer	Marks
5(a)	• Such policies regarded as essential for workforce efficiency and effectiveness • The aim is to produce an inclusive organisation and a distinctive culture that enhances the work experience • Aim is to counter the negative effect of discrimination and produce a richer more tolerant working environment • It is about promoting fairness • There is a difference between the 'compliance' approach to these policies and the more enlightened proactive approach of other business organisations. • **Accept any other valid response.**	

Question	Answer	Marks
5(b)	**Discuss the importance for a hospital of ensuring a 'work-life balance' for its employees.** <table><tr><th>Level</th><th>Description</th><th>Marks</th></tr><tr><td>4</td><td>Effective evaluation of the importance for a hospital of ensuring a 'work-life balance' for its employees.</td><td>9–12</td></tr><tr><td>3</td><td>Limited evaluation of the importance for a business of ensuring a 'work-life balance' for its employees.</td><td>7–8</td></tr><tr><td>2</td><td>Analysis and application of the importance for a business of ensuring a 'work-life balance' for its employees.</td><td>3–6</td></tr><tr><td>1</td><td>Knowledge and understanding of work-life balance</td><td>1–2</td></tr><tr><td>0</td><td>No creditable content</td><td>0</td></tr></table> *Answers could include:* **Knowledge and Understanding 2 marks** • Clear understanding of work-life balance **Application 2 marks** • Reference to work-life balance in a business. **Analysis 2 marks** • WLB is about creating and maintaining supportive and healthy work environments that enable employees to have a balance between work and other aspects of life – family, friends, community, and personal growth • A focus on WLB should lessen the danger of over-worked employees, which could lead to poor quality of service provision and poor business reputation • Could reduce employee stress and burn out and conflict between work and family • Reduce negative effects of work life conflict – health risks – smoking - drinking – weight gain – depression • Cost implications of over-worked employees – absenteeism, reduced commitment and underperformance • Duty of care role of HRM • WLB programmes seen as a business investment	**12**

Question	Answer	Marks
5(b)	**Evaluation 6 marks** • A candidate should make a judgement as to the importance for a hospital of ensuring a 'work-life' balance for its employees • These judgements may be made at any point as well as in a concluding section • How critical is WLB to the health and welfare of those who work in a hospital? • How critical is WLB to the safety and welfare of hospital patients? • Reference may be made to particular pressures on some staff in hospitals • Are hospitals any different to other business organisations? • Should WLB be of any greater significance in a hospital? • **Accept any other valid response.**	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6</td><td>

Discuss the limitations of using cost information to monitor and improve the performance of a group of luxury hotels.

Level	Description	Marks
5	Effective evaluation of the limitations of using cost information to monitor and improve the performance of a group of luxury hotels.	17–20
4	Limited evaluation of the limitations of using cost information to monitor and improve the performance of a business.	15–16
3	Good analysis of the limitations of using cost information to monitor and improve the performance of a business.	11–14
2	Limited analysis with application of the limitations of using cost information to monitor and improve the performance of a business.	5–10
1	Knowledge and understanding of cost information / business performance / luxury hotels.	1–4
0	No creditable content.	0

Answers could include:

Knowledge and Understanding 4 marks
- Clear understanding of cost information.
- Clear understanding of business performance.
- Clear understanding of luxury hotels.

Application 4 marks
- Reference to improving the performance of luxury hotels

Analysis 6 marks
- Different types of cost information available within business financial documents
- The importance of this cost information in relation to typical business situations/decisions
- The relevance of cost information to analysing current cost situations and business trends
- The specific application of cost scenarios to business decision areas such as product pricing, resource costs and payments, planned profit margins and levels
- Leads to consideration of key performance questions such as cost effectiveness, opportunity costs and the type and effectiveness of management cost control measures

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</table>

Question	Answer	Marks
6	• Benchmarking with industrial levels • The role of cost control measures in the management of luxury hotels • The role of performance management for luxury hotels • How important is cost control and the use of cost information in the management of luxury hotels? **Evaluation 6 marks** • A candidate should make a judgement as to the limitations of using cost information to monitor and improve the performance of a group of luxury hotels • These judgements may be made at any point as well as in a concluding section • The context is a group of luxury hotels. • To what extent are luxury hotels likely to be subject to cost control measures? • To what extent is the performance of luxury hotels likely to be concerned with the cost of the service provision? • If factors other than cost are important then surely cost information control is of limited significance in attempts to monitor and improve the performance of luxury hotels. • Are factors such as product quality, customer care, and personal management service more important? • **Accept any other valid response.**	

Question	Answer	Marks
7(a)	**Analyse how a business might use price elasticity of demand when making pricing decisions.**	

Level	Description	Marks
4	Good analysis of how a business might use price elasticity of demand when making pricing decisions	7–8
3	Limited analysis of how a business might use price elasticity of demand when making pricing decisions	5–6
2	Application of how a business might use price elasticity of demand when making pricing decisions	3–4
1	Knowledge and understanding of price elasticity of demand / pricing decisions	1–2
0	No creditable content.	0

Answers could include:

Knowledge and Understanding 2 marks
- Clear understanding of price elasticity of demand (PED).
- Clear understanding of pricing decisions.

Application 2 marks
- Reference to use of PED
- Reference to pricing decisions

Analysis 4 marks
- PED measures the response of customer demand for a product as its price changes
- Setting the price for a product is one of the most important of business decisions
- PED is a useful concept to use when fixing/changing a price
- PED indicates the sensitivity of demand for a product at different price points
- PED gives an indication of the price point that maximises revenue
- Reducing the price of a product with an elastic demand can lead to an increase in revenue (used in price penetration strategies)
- Increasing the price of a product with an inelastic demand can lead to an increase in revenue (used in price skimming strategies)
- Can be used for a price discrimination strategy where there are different segments of the market with different elasticities
- However, it is not as simple as might at first appear
  - the data on elasticity may not be accurate
  - it is not easy to predict consumer behaviour
- Other factors need to be considered in pricing decisions
- Revenue maximisation may not lead to profit maximisation – costs need to be considered as well as price
- Share of market to secure economies of scale and market dominance may be more important than revenue maximisation
- **Accept any other valid response.**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>7(b)</td><td>

Discuss the importance to a car manufacturer of using the marketing mix to increase its market share.

Level	Description	Marks
4	Effective evaluation of the importance to a car manufacturer of using the marketing mix to increase its market share.	9–12
3	Limited evaluation of the importance to a business of using the marketing mix to increase its market share.	7–8
2	Analysis and application of how a business could use the marketing mix to increase market share.	3–6
1	Knowledge and understanding of the marketing mix / market share.	1–2
0	No creditable content.	0

Answers could include:

Knowledge and Understanding 2 marks
- Clear understanding of the marketing mix
- Clear understanding of market share

Application 2 marks
- Reference to a car manufacturer

Analysis 2 marks
- The marketing mix as a framework/process for identifying, anticipating, and satisfying customer requirements, profitably
- A tool of analysis and planning that focuses on the key variables/elements in designing a marketing strategy to achieve organisational objectives such as increasing market share
- Product – higher quality car design, reliability, engineering claims?
- Price – a different pricing strategy?
- Place – appropriate retail outlets / online sales?
- Promotion – relevant and impactive promotion
- A more balanced marketing mix? Or particular focus on specific elements
- Additional/alternative issues that need to be addressed
- Too much emphasis on the marketing mix?

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</table>

Question	Answer	Marks
7(b)	**Evaluation 6 marks** • A candidate should make a judgement as to the importance to a car manufacturer of using the marketing mix to increase market share • These judgements may be made at any point as well as in a concluding section • The context is a car manufacturer. • Issues to consider other than the marketing mix might include production issues, people issues • The business might have become too product or organisation focused • The 4C's might be more relevant to the challenges facing the business • **Accept any other valid response.**	