Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/24**

Paper 2 Data Response **May/June 2021**

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 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.

Question	Answer	Marks
1(a)(i)	**Define the term 'fixed costs' (line 5).**	**2**

Level	Knowledge and Application	Marks
2	A correct definition	2
1	A partial, vague or unfocused definition	1
0	No creditable content	0

Costs which do not vary as output changes (in the very short run).

A correct definition should include the following elements:
- costs do not change
- as output changes.

Exemplar	Rationale	Marks
Fixed costs stay the same when the business produces more or less.	Both elements	2
Fixed costs always stay the same.	One element	1
When output changes fixed costs remain fixed.	One element and a tautology.	1
Fixed costs stay fixed.	Tautology	0

ARA

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)(ii)</td><td>

Briefly explain the term 'sole trader' (line 1).

Knowledge	Marks
Understanding of another element of a sole trader, such as: • unlimited liability • shared legal identity with business • no continuity • no requirement to produce or make available accounts • no shares/shareholders • unincorporated • likely to be a small business • the owner keeps all the profits or bears the losses/risk • the owner has full control • makes all decisions themselves • Example of a sole trader.	1–2
Understanding of a that a sole trader is owned by one person.	1

A business in which one person has unlimited liability and, in return, has full control of the business and keeps all the profits.

Exemplar	Rationale	Marks
A sole trader is owned by one person (A) who has unlimited liability (B) and does not need to publish financial accounts (C).	All three elements	3
A sole trader is owned by a single person (A) and does not have shareholders (B)	A and B	2
A business where there is unlimited liability (B), no need to produce financial accounts, no continuity and no shareholders.	B only. There must be understanding that there is only one owner to gain the A mark.	1
Solely owned business.	Tautology	0

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</td><td>3</td></tr>
</table>

Question	Answer	Marks
1(b)(i)	**Calculate the break-even output for packs of apples sold by AF.** **Rationale** / **Marks**: Correct answer with or without correct working or units – 3 Correct calculation of contribution per unit (must be backed up with working) – 2 Formula – 1 No creditable content – 0 Price – \$1 per pack VC – \$0.50 per pack FC – \$5000 Formula: $\dfrac{\text{Fixed Costs}}{\text{Contribution per unit}}$ Contribution per unit = Price – Variable costs (per unit) = \$1 – \$0.50 = \$0.50 $\dfrac{\$5000}{\$0.50}$ = **10 000 packs**	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)(ii)</td><td>

Explain <u>one</u> possible use of break-even analysis to Desi.

Level	Knowledge and Application	Marks
2 (APP)	Explanation of way a business can use break-even analysis/data in context	3
1b (K+K)	Explanation of way a business can use break-even analysis/data	2
1a (K)	Identification of way a business can use break-even analysis/data	1
0	No creditable content	0

Knowledge may include:

- To plan future production
- To model ‘what if’ scenarios (change in price and cost)
- To make business decisions about production
- To discover the margin of safety
- To target a level of profit

Application may include:

- Only one customer – supermarket (B2B)
- Specialises in one type of apple – may make BE analysis more useful
- Use of numbers (including OFR from Q1bi)
- Decision about future production of apple juice (for example, new machinery cost, modelling costs of organic ingredients, model packaging costs, etc.)

ARA
</td><td>3</td></tr>
</table>

Question	Answer	Marks
1(c)	**Analyse <u>one</u> advantage and <u>one</u> disadvantage to AF of leasing the new machinery for producing apple juice.**	**8**

<table>
<tr><th>Level</th><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis (4 marks)</th><th>Marks</th></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Shows understanding of leasing as source of finance in context</td><td rowspan="2">3–4</td><td>Good analysis of one advantage and one disadvantage of leasing as a source of finance in context</td><td>4</td></tr>
<tr><td>Good analysis of one advantage or one disadvantage of leasing as a source of finance in context</td><td>3</td></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Shows knowledge of leasing as a source of finance</td><td rowspan="2">1–2</td><td>Limited analysis of one advantage and one disadvantage of leasing as a source of finance</td><td>2</td></tr>
<tr><td>Limited analysis of one advantage or one disadvantage of leasing as a source of finance</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>

Advantages may include:
- Cheaper option in the short term – therefore less risk if the apple juice is not successful
- Maintenance is likely to be covered by leasing agreement, so lower costs
- Desi may be able to update the machine on a regular basis for no extra purchasing cost.

Disadvantages may include:
- More expensive option in the long run (after 2½ years it will be more expensive)
- Machinery would not be an asset to the business – only a cost
- No resale value if the apple juice is not successful - Desi might be stuck with a contract to make lease payments for a year or more, whereas if he bought the machinery he might be able to sell it on for a small loss.

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Question	Answer	Marks
1(d)	**Evaluate the importance of appropriate packaging for the new apple juice.**	**11**

Knowledge and Application (4 marks)	**Marks**	**Analysis and Evaluation (7 marks)**	**Marks**
		Justified evaluation about the importance of appropriate packaging based on arguments in context	7
		Developed evaluation about the importance of appropriate packaging based on arguments in context	6
		An evaluative statement about the importance of appropriate packaging based on arguments in context	5
Shows understanding of the role of packaging in context	3–4	Two arguments based on appropriate packaging in context	4
		One argument based on appropriate packaging in context	3
Shows knowledge of the role of packaging	1–2	Two pieces of limited analysis of appropriate packaging	2
		One piece of limited analysis of appropriate packaging	1
No creditable content			

Knowledge may include:
- Packaging as a marketing tool; USP, promotion, product description etc.
- Packaging as an operations tool (i.e. fit for purpose); quality, reduce damage etc.
- Packaging as part of logistics; transportation, storage, etc.

Question	Answer	Marks
1(d)	Application may include: • Edible product, relatively short shelf-life • Objective to create product differentiation • Organic product with no added chemicals • Supermarket insisting on strength of packaging for transportation • Sold in multiple branches of the supermarket. Arguments may include: • Important to promote the product, especially as it is a new product to the market. • Important to promote the USP of the product as being organic and no added chemicals and preservatives • Important to make sure the product is protected in transport – will Desi be responsible for any wastage? • There may be legal requirements to put certain information on the packaging However: • There may be more important aspects to the product, such as taste and placement in the supermarket – will the packaging matter if the product is not on show enough • Is the packaging more about function than promotion – will consumers care if the outside looks good? Evaluation may include: • A judgement over the level of importance of appropriate packaging (compared to other issues) • A judgement over which argument is most important when considering the appropriate packaging • An evaluation of the level of importance • What the judgement/evaluation might depend upon. ARA	

Question	Answer	Marks
2(a)(i)	**Define the term 'Unique Selling Point' (line 8).**	2

Level	Knowledge and Application	Marks
2	A correct definition	2
1	A partial, vague or unfocused definition	1
0	No creditable content	0

The special feature of a product/business that differentiates it from competitors' products, e.g. lower price, extra features, lower fat…

A correct definition should include the following elements:

- a special, distinct, different element of a product and/or its marketing
- that differentiates it from the competition / other products.

Exemplar	Rationale	Marks
A USP is something that makes a product different from the competitors.	Both elements	2
Something that makes a product different and stand out.	No mention of what it is different from	1
A USP is a unique point of a product.		0

ARA

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(ii)</td><td>Briefly explain the term ‘customer orientated’ (line 6).
<table>
<tr><th></th><th>Knowledge</th><th>Marks</th></tr>
<tr><td>C</td><td>Example or some other way of showing good understanding, such as that it is the opposite of product orientation.</td><td>1</td></tr>
<tr><td>B</td><td>Understanding that the focus is on the needs/wants of the purchaser/consumer/market.</td><td>1</td></tr>
<tr><td>A</td><td>Knowledge that customer orientation is about the marketing/marketing mix of a business.</td><td>1</td></tr>
</table>
Putting the satisfaction of the customers’ needs at the heart of the marketing process. Opposite of product orientation where the firm places the features of the product at the centre. May be based on market research to find out customer needs.

ARA</td><td>3</td></tr>
<tr><td>2(b)(i)</td><td>Calculate the labour turnover for the Night Team.
<table>
<tr><th>Rationale</th><th>Marks</th></tr>
<tr><td>Correct answer with or without correct working or %</td><td>3</td></tr>
<tr><td>Use of correct calculation</td><td>2</td></tr>
<tr><td>Formula or correct figures</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>
Workers who left = 4
Total workers in team = 16

Formula:

$\frac{\text{Number of workers who left}}{\text{Total number of workers}} \times 100$

$\frac{4}{16} \times 100 = 25\ (\%)$</td><td>3</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(b)(ii)</td><td>

Explain <u>one</u> problem for DC of high labour turnover.

<table>
<tr><th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr>
<tr><td>2
(APP)</td><td>Explanation of problem of high labour turnover in context</td><td>3</td></tr>
<tr><td>1b
(K+K)</td><td>Explanation of problem of high labour turnover</td><td>2</td></tr>
<tr><td>1a
(K)</td><td>Identification of problem of high labour turnover</td><td>1</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Knowledge may include:

Recruitment costs
Training costs
Loss of skills and expertise
Bad publicity
Poor quality customer experience

Application may include:

Use of figures from Table 1, including OFR from Q2(b)(i) (Night Team = 25%, Afternoon team = 10%, combined = 19%)
DC has one shop in busy town
High level of competition
Loyal customer base (2-3 times a week)
Customer orientated business
Comparison between teams (night and day)
Autocratic leadership style (may link to increased training costs)

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</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(c)</td><td>

Analyse <u>two</u> disadvantages to DC of being a small business.

<table>
<tr><th>Level</th><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis (4 marks)</th><th>Marks</th></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Shows understanding of small businesses in context</td><td rowspan="2">3–4</td><td>Good analysis of two disadvantages of being a small business in context</td><td>4</td></tr>
<tr><td>Good analysis of one disadvantage of being a small business in context</td><td>3</td></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Shows knowledge of small businesses</td><td rowspan="2">1–2</td><td>Limited analysis of two disadvantages of being a small business</td><td>2</td></tr>
<tr><td>Limited analysis of one disadvantage of being a small business</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>

Knowledge may include:
- Measurements of business size
- Family businesses
- The role of small businesses in the economy
- The role of small businesses as part of the industry structure

Application may include:
- Restaurant (secondary and tertiary) serving fried chicken (ethically produced) and chips
- One shop in a busy town, owned and managed by Kate
- Highly competitive market
- Loyal repeat customers
- Customer orientated
- Two teams (Afternoon and Night) – no swapping teams
- Use of data from Table 1, linked to size/flexibility
- High absenteeism and high labour turnover

</td><td>8</td></tr>
</table>

Question	Answer	Marks
2(c)	Analysis may include: • Costs may be higher due to not gaining economies of scale (but not diseconomies of scale) • May not be able to compete with promotion of bigger chains • Prices are likely to have to be higher than competition • Very risky – all risk in one market • Kate may not have access to enough sources of finance • Kate may lack expertise needed in some areas of the business and not be able to employ specialists ARA	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(d)</td><td>

Discuss ways in which DC could solve the motivation problems in the Night Team.

<table>
<tr><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis and Evaluation (7 marks)</th><th>Marks</th></tr>
<tr><td></td><td></td><td>Justified evaluation based on argument in context</td><td>7</td></tr>
<tr><td></td><td></td><td>Developed evaluation based on argument in context</td><td>6</td></tr>
<tr><td></td><td></td><td>An evaluative statement based on argument in context</td><td>5</td></tr>
<tr><td>Shows understanding of two ways in which DC could solve the motivation problems in the Night Team.</td><td>4</td><td>Argument based on two ways in which DC could solve the motivation problems in the night team</td><td>4</td></tr>
<tr><td>Shows understanding of one way in which DC could solve the motivation problems in the Night Team.</td><td>3</td><td>Argument based on one way in which DC could solve the motivation problems in the night team</td><td>3</td></tr>
<tr><td rowspan="2">Shows knowledge of motivation</td><td rowspan="2">1–2</td><td>Limited analysis of two ways to solve motivation problems</td><td>2</td></tr>
<tr><td>Limited analysis of one way to solve motivation problems</td><td>1</td></tr>
<tr><td colspan="4">No creditable content</td></tr>
</table>

Knowledge may include:

- Motivation as a tool
- Human needs
- Motivation theories
- Motivation methods in practice (financial and non-financial)

</td><td>11</td></tr>
</table>

Question	Answer	Marks
2(d)	Application may include: • Restaurant (secondary and tertiary) serving fried chicken (ethically produced) and chips • Customer orientated • Two teams (Afternoon and Night) – No swapping teams • Use of data from Table 1, linked to labour turnover / conditions of work / pressure of work • High absenteeism and high labour turnover • Autocratic leadership of Bill, the team leader Arguments may include: • Bill's autocratic leadership style – could be demotivating to Night Team workers who want more of a say in their workplace. • Links to Maslow and Herzberg. • Solutions – training Bill, new team leader, job rotation/enlargement, other forms of worker motivation etc. • Unsociable hours – the Night Team work evenings until early morning, this can affect sleep patterns and family life. • Link to other theorists. • Solutions – change hours, other forms of motivation etc. • Same pay as Afternoon Team but worse hours (and probably conditions). • Change remuneration, non-financial motivation methods, etc. • Night Team serve 100% more customers on average per hour than Afternoon Team but only 60% more workers in team – this could mean the Night Team is overworked – again link to theorists. Evaluation may include: • A judgement over the best way to solve the motivation problems in the Night Team • Evaluation of ways to solve the motivation problems in the Night Team • What the choice of method(s) may depend upon • Evaluation of the relative advantages/disadvantages of proposed methods in the given context. ARA	