



Cambridge International AS & A Level

BUSINESS**9609/23**

Paper 2 Business Concepts 2

May/June 2024

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 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **29** printed pages.

PUBLISHED**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 descriptions 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.

PUBLISHED**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.

Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application

Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation

Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

PREPARATION FOR MARKING

- 1 Make sure that you have completed the relevant training and have access to the *RM Assessor Guide*.
- 2 Make sure that you have read and understand the question paper, which you can download from <https://support.rm.com/ca>
- 3 Log in to RM Assessor then mark and submit the required number of practice and standardisation scripts. You will need to mark the standardisation scripts to the required accuracy in order to be approved for marking live scripts. You may be asked to re-mark them, or to mark a second sample, if you do not meet the required accuracy on your first attempt.

MARKING PROCESS

- 1 Mark strictly to the FINAL mark scheme, applying the criteria consistently and the general marking principles outlined on the previous page.
- 2 If you are in doubt about applying the mark scheme, consult your Team Leader.
- 3 Mark at a steady rate through the marking period. Do not rush, and do not leave too much until the end. If you anticipate a problem in meeting the deadline, contact your Team Leader immediately and the Examiners' Helpdesk.
- 4 Examiners will prepare a brief report on the performance of candidates to send to their Team Leader via email by the end of the marking period. The Examiner should note strengths seen in answers and common errors or weaknesses. Constructive comments on the question paper, mark scheme or procedures are also appreciated.

MARKING SPECIFICS**Crossed out work**

- 1 **All of a candidate's answers, *crossed out* or not, *optional* or not, must be marked.**
- 2 The only response not to be marked is one that has been crossed out and replaced by another response for that exact same question.
- 3 Consequently, if a candidate has crossed out their response to an optional question and gone on to answer a different optional question then both attempts must be marked. The higher mark will be awarded by the system according to the rubric.

0 (zero) marks or NR (no response)

- 1 Award **NR** if there is nothing at all written in answer to that question (often the case for optional questions).
- 2 Award **NR** if there is a comment which is not an attempt at the question (e.g. 'can't do it' or 'don't know' etc.)
- 3 Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
- 4 Award **0** (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.

Annotation

- 1 Every question must have at least one annotation e.g. <NAQ> if it is an NR and <X> or <seen> if 0 marks are awarded.
- 2 Every page of a script must have at least one annotation e.g. <seen> for a blank page.

Annotations for RM Assessor

<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Correct		For objective points that are right or wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate)
Incorrect		For objective points that are wrong.	Q1(a)(i) and Q2(a)(i) (identify) Q1(b)(i) and Q2(b)(i) (calculate) Also, incorrect elements of ANY question.
Unclear		When there is a misunderstanding in a response.	Any
Too Vague		When the candidate has attempted something, but the mark/skill has not been awarded.	Any
Highlight	Highlighter Or Underline	To highlight a point or section of an answer that justifies the mark/annotation.	Any
Benefit of doubt		When the candidate has attempted something, and the mark/skill has been awarded.	Any
On page comment	On page comment	Rarely used in live marking. Very useful for practice scripts. To communicate with the supervisor.	Any
Not using text		When the context has not been used.	Q1(b)(ii) , Q1(c) , Q1(d) , Q2(b)(ii) , Q2(c) , Q2(d) .
Seen		To show a page/section has been seen/read.	Any

<u>To award</u>	<u>Annotation</u>	<u>Comment</u>	<u>Use on Paper 2</u>
Not answering question	NAQ	When the response is not focussed on answering the question.	Any
Repetition	REP	The repetition of a previous point in a response Or Candidate is copying the case study/data.	Any
Own figure rule	OFR	The own figure rule applies – acts as a mark/tick.	Q1(b)(i) and Q2(b)(i)
Knowledge (AO1) L1	K	When AO1 has been awarded. Number of Ks should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Knowledge (AO1) L2			
Application (AO2) L1	APP	When AO2 has been awarded. Number of APPs should match the mark awarded.	Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)
Application (AO2) L2			
Analysis (AO3) L1	AN	When AO3 at Level 1 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Analysis (AO3) L2	DEV	When AO3 at Level 2 has been awarded.	Q1(c), Q1(d), Q2(c), Q2(d)
Evaluation (AO4) L1	EVAL	When AO4 at Level 1 has been awarded.	Q1(d) and Q2(d)
Evaluation (AO4) L2	E	When AO4 at Level 2 has been awarded.	Q1(d) and Q2(d)
Evaluation (AO4) L3	EE	When AO4 at Level 3 has been awarded.	Q1(d) and Q2(d)

Question	Answer	Marks
1(a)(i)	Identify <u>one</u> element of a dynamic business environment Responses may include: Any feature of a dynamic business environment , including: • Rapidly/constantly changing • businesses must quickly adapt • very competitive • new competitors • innovative • technological change • changes in the economy • changing regulations/legislation Accept all valid responses.	1

Question	Answer	Marks								
1(a)(ii)	Explain the term <i>employment agency</i>.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding										
Knowledge of employment agency may include:										
• provides recruitment services to other business • a business outsources recruitment of employees to another business • find ideal candidates for a specific job role										
AO2 Application										
Explanation of employment agency may include:										
• customer provides details of job roles and numbers required: the agency selects and recruits employees • specialist recruiters used: providing expertise which may not exist in a business • increased efficiency/lower cost: especially where many and varied roles/employees required. • Can provide training/manuals: reducing costs for other business										
Context applied to a business , including:										
• An example of a business using an employment agency										
<i>Application can be made to RP or any other scenario/context/business/person.</i>										
Accept all valid responses.										

Question	Answer	Marks
1(a)(ii)	Guidance in awarding marks	
	Knowledge & understanding Knowledge of employment agency 1 mark	
	Explanation Explanation of employment agency 1 mark	
	Context Applied to a business context / business environment 1 mark	
1(b)(i)	Refer to Table 1.1 and other information. Calculate RP’s actual cost per hire for the customer contract in March 2024. Total cost/total hires (1) or $1\,260\,000/450\ (1) = 2800\ (1)$ or $1260/450 = 2.8\ (\text{OFR})$ or $1\,260\,000/450\ (1) + 500\ (1)$ $= 2800 + 500 = \\$3\,300\ (3)\ \text{OFR}$ Note: Correct answer 3300 (\$ not required) required for full marks.	3

Question	Answer	Marks								
1(b)(ii)	Explain <u>one</u> benefit to RP of using a budget.	3								
	<table><tr><th>AO1 Knowledge and understanding 1 mark</th><th>AO2 Application 2 marks</th></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
	AO1 Knowledge and understanding 1 mark		AO2 Application 2 marks							
			2 marks Developed application of one relevant point to a business context.							
	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
	0 marks No creditable response.		0 marks No creditable response.							
Indicative content										
AO1 Knowledge and understanding Knowledge of a benefit of using a budget  , including: • Can plan for the future / forecast revenue/profit/costs • Allocate resources • Monitor performance • Improve decision making <i>No further marks can be gained without knowledge and understanding of a <u>benefit</u> of a budget.</i>										
AO2 Application Explanation of a benefit of using a budget  , including: • Can use to price work done for other businesses • Can see variance once work completed/improve future contract pricing										

Question	Answer	Marks									
1(b)(ii)	Context of a benefit of using a budget , including: • Use of Table 1.1 – Reference to any row / numbers required/costs – OFR from answer to Q1(b)(i) • Adverse variance of \$500 • Concerns that budget is not accurate Accept all valid responses. Guidance in awarding marks <table><tr><td>Knowledge & understanding</td><td>Knowledge of a benefit of using a budget</td><td>1 mark</td></tr><tr><td>Explanation</td><td>Explanation of a benefit to a business of using a budget</td><td>1 mark</td></tr><tr><td>Context</td><td>Context linked to a benefit to RP of using a budget</td><td>1 mark</td></tr></table>	Knowledge & understanding	Knowledge of a benefit of using a budget	1 mark	Explanation	Explanation of a benefit to a business of using a budget	1 mark	Context	Context linked to a benefit to RP of using a budget	1 mark	
Knowledge & understanding	Knowledge of a benefit of using a budget	1 mark									
Explanation	Explanation of a benefit to a business of using a budget	1 mark									
Context	Context linked to a benefit to RP of using a budget	1 mark									

Question	Answer				Marks
1(c)	Analyse <u>two</u> methods RP could use to select sales employees.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	
	Indicative content AO1 Knowledge and understanding Knowledge of first selection method  (max 2 marks – annotate first method on left and second method on right), may include: Curriculum vitae				

Question	Answer	Marks
1(c)	• Résumé • application forms • interview • references • testing • assessment centres Note: Must be selection NOT recruitment AO2 Application Context applied to relevance of each selection method to sales employees  (max 1 mark per method): • Requires customer contact and selling skills so assessment centre • 225 required but only 3 recruiters so simple, quick method best • Most relevant probably application form and references • Sales staff will need to be personable so may interview to make sure character and personality fit with the job role, but could be an inefficient way to recruit for this many employees • Already showing adverse variance • Use of Table 1.1 AO3 Analysis <i>Limited analysis  – candidate shows one link in the chain of analysis.</i> <i>Developed analysis  candidate shows two or more links in the chain of analysis or a two-sided analysis.</i> • High cost of selection – could lower profits • May attract lots of applicants – so need a quick/efficient method • What time scale is required for hiring – may not have time to interview all • Most relevant probably application form and references • Need to ensure equality and diversity in selection process – what is best way to do this? Accept all valid responses.	

Question	Answer				Marks
1(d)	Evaluate the impact on RP of diversity and equality in the workplace.				12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	
	3				
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

Question	Answer	Marks
1(d)	Indicative content AO1 Knowledge and understanding Knowledge of diversity and equality  (max 2 marks), including: - Equality – Ensuring a fair organisation so everyone has the opportunity to fulfil their potential. - Diversity – Creating a mixed workforce, placing a positive value on diversity in the workplace. Knowledge of an impact of diversity and equality in the workplace  (max 2 marks), including: - May be required by legislation - Good employer reputation - Easier to attract new employees - May get the best applicants - Introduce new ideas/innovation AO2 Application Context applied to an impact of diversity and equality in the workplace  (max 2 marks), including - Outsourcing company so other businesses most likely to require a diverse work organisation so better fit with customers - Businesses more likely to use them if good equality practices - Adverse variance of \$500 per hire – indicates need to ensure efficiency - Dynamic market environment requires creative employees - Uses social media to attract customers – variety of languages help global expansion - Won an award for good equality and diversity practices - Use of Table 1.1 AO3 Analysis <i>Limited analysis</i>  – candidate shows one link in the chain of analysis. <i>Developed analysis</i>  – candidate shows two or more links in the chain of analysis. - Change of working culture may be required – increasing costs/unsettled environment - Training in equality and diversity for existing employees – higher costs/lower profit - Costs of recruiting – additional requirement leading to higher costs - Need to employ diverse ways of working and thinking to bring in new ideas and increase competitiveness - Increase productivity – employees motivated by good working practices/leading to increased profit - Better able to operate in a global marketplace – attracting more customers/businesses/– leading to increased sales/revenue	

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Question	Answer	Marks
1(d)	AO4 Evaluation <i>Limited evaluation</i>  - unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i>  – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i>  – supported judgement in context and/or reasonable evaluative comment in context. • Weighing up of risks vs. reward of diversity • Short term costs vs. long term benefits • Judgement of consequences to RP impact on stakeholders it will most likely impact • Challenges posed to company culture Accept all valid responses.	

Question	Answer	Marks
2(a)(i)	Identify <u>one</u> fixed cost. Indicative content Fixed cost  • rent • interest • salaries • wages Accept all valid responses.	1

Question	Answer	Marks								
2(a)(ii)	Explain the term <i>mass customisation</i>.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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			2 marks Developed application of one relevant point to a business context.							
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	0 marks No creditable response.		0 marks No creditable response.							
Indicative content										
AO1 Knowledge and understanding Mass customisation is the use of flexible computer-aided technology on production lines to make products that meet individual customers' requirements for customised products.										
Knowledge of mass customisation  (max 1 mark), including: • Bulk production • Flexible • Made to order • Customer preferences										
AO2 Application Explanation of a characteristic of mass customisation  , including: • Lower unit costs combined with personalisation / Increased product choice • Higher customer retention/loyalty • Customers prepared to pay a higher price • Higher profit margins										

Question	Answer	Marks									
2(a)(ii)	Context applied to mass market(s) , including: Relevant example of mass customisation (including the T-shirt market) <i>Application can be made to FW or any other scenario/context/business/person.</i> Accept all valid responses. Guidance in awarding marks <table> <tr> <td>Knowledge & understanding</td><td>Knowledge of mass customisation</td><td>1 mark</td></tr> <tr> <td>Explanation</td><td>Explanation of a characteristic of mass customisation</td><td>1 mark</td></tr> <tr> <td>Context</td><td>Applied to a business context/ business environment</td><td>1 mark</td></tr> </table>	Knowledge & understanding	Knowledge of mass customisation	1 mark	Explanation	Explanation of a characteristic of mass customisation	1 mark	Context	Applied to a business context/ business environment	1 mark	
Knowledge & understanding	Knowledge of mass customisation	1 mark									
Explanation	Explanation of a characteristic of mass customisation	1 mark									
Context	Applied to a business context/ business environment	1 mark									
2(b)(i)	Calculate FW's break-even output per month if the new payment method is introduced. FC/contribution = BE (1) FC = 182 000, VC = 12 (1) Contribution = 40 – (12) (1) = 28 (1) 182 000/28 = 6500 (3) OFR	3									

Question	Answer	Marks								
2(b)(ii)	Explain <u>one</u> advantage to FW's employees of the new payment method.	3								
	<table><tr><td>AO1 Knowledge and understanding 1 mark</td><td>AO2 Application 2 marks</td></tr><tr><td></td><td>2 marks Developed application of one relevant point to a business context.</td></tr><tr><td>1 mark Knowledge of one relevant point is used to answer the question.</td><td>1 mark Limited application of one relevant point to a business context.</td></tr><tr><td>0 marks No creditable response.</td><td>0 marks No creditable response.</td></tr></table>		AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks		2 marks Developed application of one relevant point to a business context.	1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.	0 marks No creditable response.	0 marks No creditable response.
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	1 mark Knowledge of one relevant point is used to answer the question.		1 mark Limited application of one relevant point to a business context.							
0 marks No creditable response.	0 marks No creditable response.									
Indicative content										
AO1 Knowledge and understanding – Note: Must be linked to employees NOT FW Knowledge of an advantage of lower salary + commission  , including: • Payment made according to number of sales – commission • Possibility of higher monthly pay • Incentive so motivating <i>Do not accept disadvantages.</i>										
AO2 Application Explanation of an advantage of lower salary + commission  , including: • If sales forecast correct employees would earn more • Can choose to work harder/longer for increased pay • Investment could expand sales possibilities so higher pay • Rewards successful selling Context applied to a limitation of using break-even analysis  including: • Maz estimates sales volume to increase to 30 000 per month • Commission \$2 per T-shirt										

Question	Answer			Marks
2(b)(ii)	• Business is expanding • Diversification of product portfolio – baseball caps • OFR from Q2(b)(i)			
	Accept all valid responses.			
	Guidance in awarding marks			
	Knowledge & understanding	Knowledge of an advantage of the change in payment method	1 mark	
	Explanation	Explanation of an advantage of the change in payment method	1 mark	
Context	Context linked to an advantage of the change in payment method	1 mark		

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Question	Answer				Marks
2(c)	Analyse <u>two</u> external sources of finance that FW could use to invest in new machinery.				8
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks	
	2			3–4 marks Developed analysis - Developed analysis that identifies connections between causes, impacts and/or consequences of two points. - Developed analysis that identifies connections between causes, impacts and/or consequences of one point.	
	1	1–2 marks - Knowledge of two relevant points is used to answer the question. - Knowledge of one relevant point is used to answer the question.	1–2 marks - Application of two relevant points to a business context. - Application of one relevant point to a business context.	1–2 marks Limited analysis - Limited analysis that identifies connections between causes, impacts and/or consequences of two points. - Limited analysis that identifies connections between causes, impacts and/or consequences of one point.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

Question	Answer	Marks
2(c)	Indicative content AO1 Knowledge and understanding Knowledge of an external source of finance  (max 2 marks – annotate first source on left and second source on right), including: • bank loan • another partner • convert to a limited company • venture capital • leasing • hire purchase • bank loans • mortgages • debt factoring • trade credit • micro-finance • crowd funding • government grant AO2 Application Context applied to an external source of finance  (max 2 marks), including: • \$4m needed • Low break-even so good contribution to help get a loan • Good business attractive to shareholders • Required for expansion • New product could be risky • Market research needed to assess viability • Partnership	

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Question	Answer	Marks
2(c)	AO3 Analysis Analysis of a relevant external sources of finance, including: <i>Limited analysis</i>  – candidate shows one link in the chain of analysis. <i>Developed analysis</i>  candidate shows two or more links in the chain of analysis or a two-sided analysis. • Long term loan may be suitable – would banks lend to a partnership? • Venture capitalist will want quick returns – so less time to make returns • Probably no debts to factor – so unavailable source • Government grant unlikely – unless help available to help (small) businesses to expand • Too much for micro-finance • Loss of ownership if convert – danger of takeover • Effect on liquidity – depending on length of time involved • Cost of finance – could be high interest rates Note: Analysis must relate to a suitable source for financing machinery. For example, a mortgage is an external source so would get a K mark but not realistic for financing machinery unless linked by, e.g. saying a mortgage on the factory building to get finance to purchase the machinery. Accept all valid responses.	

Question	Answer				Marks
2(d)	Evaluate whether FW should expand its product portfolio to increase its sales volume.				12
	Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	
	3				
	2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	
	1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	
	0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	

Question	Answer	Marks
2(d)	Indicative content AO1 Knowledge and understanding Knowledge of product portfolio  (max 2 marks), including: • Range of products in one business • Product diversification • Meet customer demand for more product choice Could relate to product life-cycle, Boston matrix Could consider impact on the 4ps/4cs e.g. • Price • Product • Promotion • Place AO2 Application Context applied to features of FW  (max 2 marks), including: • Reliance on one product is risky so maybe should diversify into baseball caps • May need to change distribution method - sell at music festivals only – maybe could sell elsewhere e.g., other retailers, online • Other products more suitable e.g., posters • Move to a bigger factory provides opportunity • Requires \$4m investment • FW is expanding	

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Question	Answer	Marks
2(d)	AO3 Analysis <i>Limited analysis</i> 1A – candidate shows one link in the chain of analysis. <i>Developed analysis</i> 2A – candidate shows two or more links in the chain of analysis. • Requires research to establish demand • Single product portfolio – is the market saturated? • Satisfy more customers – increasing sales volume and increasing revenue and profit • There is a lack of direction for the future of the business and so there is a risk to the security and stability of FW. • Need for an integrated marketing mix to increase sales volume AO4 Evaluation <i>Limited evaluation</i> 1E - unsupported judgement and/or a weak attempt at evaluative comment <i>Developed evaluation</i> 2E – supported judgement and/or reasonable evaluative comment <i>Developed evaluation in context</i> 3E – supported judgement in context and/or reasonable evaluative comment in context. • An evaluation is likely to come from candidates making a judgment and justification of expanding product portfolio. • Any changes that might need to be made to make it more effective/less risky. • Are there more suitable methods of increasing sales volume? • Business expanding is now the right time to increase products. • High investment in the new factory needs careful consideration of equipment if expand portfolio. Accept all valid responses. . Note: Developed evaluation in context 3E should link to sales.	