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CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/42**

Paper 4 Business Strategy **May/June 2026**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme contains the instructions and marking guidance that our examiners used to mark candidate responses for this component.

Before they start marking, examiners complete a standardisation process. They review a range of candidate responses and discuss the mark scheme in detail to agree which answers can and cannot be accepted. Examiners award marks where it is clear that candidate responses have met the requirements of the mark scheme. These requirements may vary between different components or different versions of the same component, depending on the exact requirements of the question and the candidate responses seen during the standardisation process.

Sometimes, our mark schemes may allow marks to be awarded to responses which contain elements that are factually incorrect or for content not covered by the syllabus. We do this in response to the demands of a specific question to support candidates and make sure that our assessments are fair. However, these allowances should not be used as a guide for teaching and learning.

We cannot discuss the mark scheme with schools, and we recommend that schools read the mark scheme together with the assessment material and the Principal Examiner Report for Teachers.

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General marking principles

All examiners must apply these marking principles when marking candidate responses.

1	Examiners must award marks for each response in line with: • the specific **content** defined in the mark scheme • the specific **skills** defined in the mark scheme or in the level descriptions • the **standard of response** required as exemplified by the standardisation scripts.
2	Examiners must award **whole marks** (not half marks, or other fractions).
3	Examiners must award marks **positively**. This means that: • marks are not deducted for errors or omissions • marks are awarded for correct/valid answers as defined in the mark scheme and also for **other valid answers** which go beyond the scope of the syllabus and mark scheme referring to your team leader as appropriate • the quality of spelling, punctuation and grammar are judged **only** when the mark scheme indicates that these features are **specifically assessed** in the question. However, the meaning of all responses must be unambiguous.
4	Examiners must **consistently** apply the requirements of the mark scheme and any rules for what to do when candidates have not followed instructions correctly.
5	Examiners must use the **full range of marks** defined in the mark scheme, unless limited by the quality of the candidate responses seen.
6	Examiners must award marks according to the mark scheme and **must not** award marks with grade thresholds or grade descriptions in mind.

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Social Sciences-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).

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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.

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Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	For objective points that are correct.
	For objective points that are wrong.
 and TV	When the candidate has attempted something, but the mark/skill has not been awarded.
Highlighter	To highlight a point or section of an answer that justifies the mark/annotation.
BOD	When the candidate has attempted something, and the mark/skill has been awarded.
NUT	When the context has not been used.
SEEN	To show a page/section has been seen/read.
NAQ	When the response is not focused on answering the question.
REP	The repetition of a previous point in a response **or** candidate is copying the case study/data.

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Annotation	Meaning
OFR	The own figure rule applies – acts as a mark/tick.
K	When limited knowledge (AO1) has been awarded.
DEV	When developed knowledge (AO1) has been awarded.
APP	When AO2 has been awarded. Number of APPs should match the mark awarded.
A1	When AO3 at Level 1 has been awarded.
A2	When AO3 at Level 2 has been awarded.
A3	When AO3 at Level 3 has been awarded.
N1	When AO4 at Level 1 has been awarded.
N2	When AO4 at Level 2 has been awarded.
N3	When AO4 at Level 3 has been awarded.

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Please refer to this grid for BOTH questions.

Level	AO1 Knowledge and understanding 3 marks	AO2 Application 2 marks	AO3 Analysis 8 marks	AO4 Evaluation 7 marks
	Description	**Description**	**Description**	**Description**
3			**7–8 marks** **Developed analysis of the overall strategy** that identifies connections between causes, impacts and/or consequences	**6–7 marks** **Effective evaluation** A developed judgement/conclusion is made in the business context that draws together developed evaluative comments which balance some key arguments in the business context.
2	**2–3 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.	**4–6 marks** **Developed analysis of individual strategic element(s)** that identifies connections between causes, impacts and/or consequences.	**3–5 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
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.	**1–3 marks** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

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Question	Answer	Marks
1	**Evaluate the effectiveness of GM's contingency planning between 2018 and 2025.** Responses may include: **AO1 Knowledge and understanding of contingency planning** Knowledge K (max 1 mark) can be awarded for knowledge about contingency planning, DEV can be awarded for understanding of how contingency planning works including: • contingency planning is the process of preparing for and responding to unexpected events that disrupt normal operations • it is a key part of disaster recovery for a business that has faced a crisis • often involves risk management and emergency planning • may be linked with crisis management • contingency planning is the process of preparing for potential emergencies, while crisis management is the overall management of emergencies when they do occur • these should work in tandem before an incident (contingency planning) and during the incident (crisis management) **Contingency planning can involve:** • anticipating problems/issues – considering potential risks before they happen, businesses can make informed decisions if a contingency plan is needed. • minimising negative effects – a well-developed contingency plan can help reduce the negative impact of unexpected events. • protecting against cyberattacks – contingency plans can outline procedures for cybersecurity teams to protect against threats and malicious attacks. **Contingency plans often include:** • who the organization's key suppliers and customers are. • how to recover outstanding debts. • whether the organization can quickly source replacement goods or services. • how to replace lost revenue. • how the insolvency of key suppliers or customers might affect contract performance.	**20**

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Question	Answer	Marks
1		

Contingency planning is the process of preparing for and responding to unexpected events K.	Some basic knowledge about contingency planning, so only K.
Contingency planning is the process of preparing for and responding to unexpected events K. This could include a plan that anticipate possible problems DEV.	1 K for identification and 1 DEV for a point of explanation
Contingency planning is the process of preparing for and responding to unexpected events K. This could include a plan that anticipate possible problems DEV. The contingency plan may work alongside crisis management DEV.	1 K for identification and 2 DEVs for two points of explanation

No other AO2, AO3 OR AO4 marks can be awarded without AO1.

AO2 Application

Application APP (max 2 marks) can be awarded for applying knowledge, analysis or evaluation of contingency planning to GM. ***Context that is used, but not linked to another AO is REP***.

- Chain of motels (hotels dedicated to motorists).
- Original GM motel built in 1958.
- GM used external growth to takeover smaller motel chains. – in 2018 GM purchased TP, a chain of 20 motels.
- GM owns 104 motels in 2018.
- In 2018 new legislation requires all motels to have an updated fire evacuation plan (contingency plan).
- Appendix 1 – outline of GM's fire evacuation plan in 2018.
- In 2019 Finance Director attends the European Cyber Security Forum – thinks GM needs to improve cyber security.
- Advises GM partner with a cyber security business.
- Appendix 2 – comparison of cyber security partners (A and B):
  Product A is more expensive ($6000 compared with $2500)
  Both products cover enough motels for GM in 2018 (104), but product A has a maximum of 110 motels, whereas product B has a maximum of 150 motels.
  Product B does no cover critical infrastructure.

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Question	Answer	Marks
1	• In 2020 all GM motels closed due to Covid – new equipment and barriers must be installed into every GM motel. • Safety equipment prices raise by over 300% • GM only able to reopen half motels in 2020. • Decrease in revenue in 2020 and GM makes a $4m loss (first loss in company history). • In 2021, all motels have covid-safe equipment and all reopen. • In 2021, GM makes a loss of $1m. • In 2022, GM breaks even. • In 2023 GM installs self-check-in machines in all motels (Appendix 3). • In 2024 GM is targeted by cyber hackers. • In 2024 the self-check-in machines are offline for two weeks during summer peak season. • Increased customer complaints and delays in 2024. • In 2025 – review of GM's insurance products. **AO3 Analysis** Candidates will probably analyse in context – using the fire evacuation plan, cybersecurity, pandemic, installation of safety features or insurance policies – so award analysis that is linked to the type of contingency plan that was produced and its benefits/drawbacks Analysis should be about how GM's contingency planning **may have had** a positive effect on GM **and** how contingency planning **may have had** a negative effect/cost to GM (A1 and A2 and A3), including: • Fire evacuation plan may have given reassurance to customers about safety – leading to loyalty/repeat custom – leading to increase in sales/profits. • Fire evacuation plan will have taken time and money to draw up and implement – leading to increased costs and lower profits. They had to do this because of legislation change – if not they could have been fined – reducing profits. • Cybersecurity – increased threats from cyber criminals means GM should be protected – customers may be happy that their data is secure and may be a USP leading to repeat sales/more bookings – improves brand reputation/image is better. • Cybersecurity costs a lot of money and may not protect from every threat. If data is lost customers will be unhappy and demand refunds and/or bookings may fall. • Global pandemic was not foreseeable, and no contingency plan could have been in place for this scenario – GM has been reactive and it has cost a lot of money.	

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Question	Answer	Marks
1	• Plans to deal with the global pandemic have been put in place – safety barriers – to reassure customers and get hotel open – sales slowly recovering and back to breakeven • However, the plans cost a lot of money and take a long time to implement. • 2024 cyberattack shows the planning in 2020 was not updated – hardware was damaged and GM had no plan in place – this put strain on employees and upset customers – leading to complaints and impacts on profits. • Insurance policies are deemed adequate – this means that GM is covered for a number of eventualities. Offers reassurance to management/owners that the business would receive cover in the event of an incident – may encourage investors • However, none of these incidents may occur and GM will be paying a lot of money to insurance firms – decreasing profits and shareholder returns Candidates may not analyse in context in which case the positive and negative effects could be: Positive effects: • It may motivate employees - leading to increased productivity and reduced average costs. • It may encourage customers, to make a purchase, increasing sales revenue and profit. • Residents may feel safer having a business with a contingency plan, leading to less complaints from local residents, reducing costs and increasing profitability. • It minimises the negative impact on customers/supplier in the event of a major disaster, leading to the business being able to continue trading – increased sales and possibly increased profit. • A contingency plan is likely to lead to better PR, this is likely to lead to increased consumer confidence and increased sales. Negative effects may include: • Contingency planning may take significant time - increased costs and lower profitability. • Contingency planning may also increase training costs for an incident that may never happen - increases total costs and may reduce the profitability. • Time taken for practicing contingency plans, such as fire drills, IT failure, terrorist attack, an accident involving company vehicles, may increase costs and reduce profits. • It needs to be constantly updated as the number and range of potential disasters can change over time, leading to ongoing costs and lower profitability. *Candidates' analysis must be business facing. They may identify an advantage of contingency planning and provide developed analysis to get to L2, this then needs to be counterbalanced to get to L3. If a candidate does this twice, they will gain 8 marks*.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>

AO4 Evaluation

Evaluation (N1 and N2 and N3) will largely depend on the points raised in the analysis.

Candidates MUST answer the question – how effective was GM's contingency planning between 2018 and 2025. The development and support of this judgement will help them to move through L2 and L3.
To award L3 the answer must be in context and draw upon the previous analysis.

- A judgement over the effectiveness of GM's contingency plan between 2018 and 2025.
- What the judgement(s) may depend upon; external environment, past experience, business objectives of GM, the level of risk that GM/Directors are willing to take, the likely cost of contingency planning, the probability of an incident occurring, the likely impact of an incident (the seriousness).
- Weighing up of the relative arguments about GM's contingency planning.

<table>
<tr><th>No credit</th><th>L1 N1 including: (limited supporting evidence)</th><th>L2 N2 including: (developed supporting evidence)</th><th>L3 N3 (developed supporting evidence with context)</th></tr>
<tr><td>GM's contingency planning was effective.</td><td>GM's CP has been effective as they have been able to lessen the impact of some events.</td><td>GM's CP has been effective as they have been able to lessen the impact of some events. This has boosted staff morale and helped reassure customers.</td><td>GM's CP has been effective as they have been able to lessen the impact of the problems faced by the pandemic restrictions. This has boosted staff morale and helped reassure customers keeping losses down.</td></tr>
<tr><td>The contingency planning was not effective.</td><td>GM's CP was not effective as they have still seen revenue decrease despite having plans in place.</td><td>GM's CP was not effective as they have still seen revenue decrease despite having plans in place. The lower profits may mean that corners will still be cut moving forward, undermining the CP.</td><td>GM's CP was not effective as they have still seen revenue decrease despite having plans in place. The cybersecurity attack was bad due to the wrong package being purchased as GM cut costs.</td></tr>
</table>

Accept all valid responses.

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9609/42 Mark Scheme June 2026

GradeMax

Question	Answer	Marks
2	**Advise GM's Board of Directors on an appropriate strategy for improving employee performance.** **Indicative content** **AO1 Knowledge and understanding** Knowledge K (max 1 mark) can be awarded for any relevant business knowledge about business strategy, employee performance and improving employee performance, including: • The purpose and roles of HRM • Workforce planning • Recruitment and selection • Redundancy and dismissal • Morale and welfare • Training and development • Management and workforce relations • Motivation • Management • Organisational structure • Delegation and accountability • Control, authority and trust • Centralisation and decentralisation • Business communication • Leadership • HRM strategy, including: Hard and soft HRM Flexible working contracts Management by objectives (MBO) • Role of IT and AI in HRM Award DEV for any explanation of relevant business knowledge, up to a max of 2 marks.	**20**

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Question	Answer	Marks
2		

Motivation is the desire to do something K	Some basic knowledge about motivation, so only K.
Motivation is the desire to do something K, for example a person can be motivated to work harder by financial incentives DEV.	1 K for identification and 1 DEV for a point of explanation
Motivation is the desire to do something K, for example a person can be motivated to work harder by financial incentives DEV. A worker can also be motivated by non-financial incentives, like belonging DEV.	1 K for identification and 2 DEVs for two points of explanation

No other AO2, AO3 OR AO4 marks can be awarded without AO1.

AO2 Application

Application APP (max 2 marks) can be awarded for **applying knowledge, analysis or evaluation of strategies to improve employee performance**.

Candidates MUST apply this to GM

Allow any use of the data that is linked to another AO. Context that is used, but not linked to another AO is REP.

- Chain of motels (hotels dedicated to motorists).
- In 2018 GM purchased TP, a chain of 20 motels.
- Business will trade under GM brand.
- GM owns 104 motels in 2018.
- In 2020 all GM motels closed due to Covid – new equipment and barriers must be installed into every GM motel.
- Safety equipment prices raise by over 300%
- GM only able to reopen half motels in 2020.
- Decrease in revenue in 2020 and GM makes a $4 m loss (first loss in company history).
- In 2021, all motels have covid-safe equipment and all reopen.
- In 2021, GM makes a loss of $1 m.
- In 2022, GM breaks even.
- In 2023 GM installs self-check-in machines in all motels (Appendix 3).
- In 2024 the self-check-in machines are offline for two weeks during summer peak season.
- Increased customer complaints and delays in 2024.
- Aim to improve employee performance, aiming to return GM to pre 2020 revenue

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Question	Answer	Marks
2	Any element of the case study Any element of the appendices **AO3 Analysis** Analysis must be business facing, however given that the question is about employee performance, accept that increased motivation/productivity/efficiency of workers as a result of the policy chosen as the A1 and then develop to A2 with how this policy fully impacts the business. Analysis is likely to be based on the policies GM could use to improve performance (A1 and A2 and A3) , including: • Workforce planning – help GM to forecast future HR needs, which may improve efficiency by reducing unnecessary costs. However, central workforce panning may not be suitable for each motel. • Recruitment and selection – GM may need to change their recruitment and selection methods, which could increase costs and lengthen the recruitment process. • Training and development – increase costs, but could lead to an increase in revenue if customer satisfaction is prioritised. Workers may also be motivated if training is about personal development – leading to productivity gains. • Motivation **Financial methods** of motivation will increase costs, with no guarantee of success but suits a Theory X worker. **Non-financial methods** may prove cheaper, but do individual motel managers have the skills to effectively motivate their staff using non-financial methods. Motivation derived from the implementation of employee participation in an Operational Strategies – TQM, Quality circles, Kaizen • Management – managers are also employees, so this could be from the angle of employee/manager performance, or the effects of good/poor management on the rest of the business. • HRM strategy may include Hard HRM – may increase efficiency, but also demotivate employees. Soft HRM – may motivate employees, but could decrease efficiency. Flexible working contracts – some employees (such as cleaners) may be able to have some flexibility in their work hours, but the majority of motel employees are unlikely to be able to have significantly levels of flexibility. Management by objectives (MBO) – may need a SMART objective (current objective is not SMART). Might be a suitable method for managers, but less likely to be useful for other employees. Role of IT and AI in HRM – Use of the internet and AI to recruit, including application filters and the use of AI to design HR resources, such as job descriptions. Likely to require a significant investment in the short term, but could reduce costs in the long term.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>

<u>Candidates need to identify a policy and provide developed analysis to get to L2, this then needs to be counterbalanced to get to L3. If a candidate does this twice, they will gain 8 marks.</u>

AO4 Evaluation

Evaluation will largely depend on the points raised in the analysis.

Evaluation (N1 and N2 and N3) including:

<u>Candidates MUST answer the question – .what strategies will help improve performance at GM. The development and support of this judgement will help them to move through L2 and L3.</u>

<u>To award L3 the answer must be in context and draw upon the previous analysis.</u>

- A judgement/recommendation on an appropriate strategy for improving employee performance.
- A judgement over the most important aspects of an HR strategy for GM.
- A judgement over the likely effectiveness of the recommended HR strategy.
- What the judgement(s) may depend upon; the type of employee, business objectives, external environment (in particular economy and its impact on the motel industry), the ongoing effects of Covid, etc.

<table>
<tr><th>No credit</th><th>L1 N1 including: (limited supporting evidence)</th><th>L2 N2 including: (developed supporting evidence)</th><th>L3 N3 (developed supporting evidence with context)</th></tr>
<tr><td>GM should start using a soft HRM approach.</td><td>GM should start using a soft HRM approach as this will have a bigger impact on staff morale.</td><td>GM should start using a soft HRM approach as this will have a bigger impact on staff morale. If staff are treated well they will be more motivated and productive helping GM increase productivity and bring down costs.</td><td>GM should start using a soft HRM approach as this will have a bigger impact on staff morale. If staff are treated well they will be more motivated and productive helping GM increase productivity and bring down costs. This is important as they recover from their earlier losses in 2022.</td></tr>
</table>

Accept all valid responses.

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