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Cambridge Assessment International Education

Cambridge IGCSE™

BUSINESS STUDIES **0450/21**

Paper 2 Case Study **October/November 2022**

MARK SCHEME

Maximum Mark: 80

Published

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

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

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

Cambridge International is publishing the mark schemes for the October/November 2022 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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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.

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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.

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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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0450/7115/0086 Business Studies–Paper 2 Annotations

Annotation	Description	Use
Tick	Tick	Indicates a point which is relevant and rewardable (used in part (a) questions).
Cross	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
TV	Too vague	Used when parts of the answer are considered to be too vague.
REP	Repetition	Indicates where content has been repeated.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
APP	Application	Indicates appropriate reference to the information in the context.
OFR	Own figure rule	If a mistake is made in a calculation, and the incorrect figure that results from the mistake is used for subsequent calculations.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
L1	Level 1	Used in part (b) questions to indicate where a response includes limited knowledge and understanding.
L2	Level 2	Used in part (b) questions to indicate where a response has a more detailed discussion and contains some evidence of justification.
L3	Level 3	Used in part (b) questions to indicate where a response includes a well-justified recommendation.

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Question	Answer	Marks
1(a)	**Explain <u>four</u> business objectives Tokumbo could set for SA.** Award 1 mark for each relevant objective (max 4). Award a maximum of 1 additional mark for each explanation of the business objective **in context**. Relevant business objectives might include: • Profit – so Tokumbo will have the funds to pay for the development of his website • Increase sales / number of customers – so revenue from safari tours increases • Return on investment for the owner – so Tokumbo can gain a return on his investment in SA as he is a sole trader • Growth / expansion of the business – so that the business can take advantage of the growth in the number of young people camping • Market share – increased publicity and awareness for tourists visiting the country • Survival – as SA is a new business and has only been operating for 2 years • Provide services to the community • Providing good customer service • Reducing environmental impact For example: Tokumbo will want to make a profit (1) as he has invested his own money into the sole trader business (app). **Application** might include: safari holidays; increase in tourists from other countries; high income tourists; luxury safari holidays; 5 employees; only been operating for 2 years; sole trader; game reserve; camping / tent; wild animals; 4 safari guides; 4 safari vehicles; accommodation in local / luxury hotels; fuel.	**8**

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

Consider the opportunities and threats of e-commerce for SA. Which is likely to have the greatest effect on SA? Justify your answer.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>3</td><td>Sound application of knowledge and understanding of relevant business concepts using appropriate terminology.

Detailed discussion of the opportunities and threats.

Well-justified conclusion.

Candidates discussing the opportunities and threats in detail, in context and with a well-justified conclusion including why the alternative was rejected should be rewarded with the top marks in the band.</td><td>9–12</td></tr>
<tr><td>2</td><td>Sound application of knowledge and understanding of relevant business concepts using appropriate terminology.

Detailed discussion of the opportunities or threats.

Judgement with some justification / some evaluation of choice made.

Candidates discussing the opportunities and threats in detail and applying them to the case should be rewarded with the top marks in the band.</td><td>5–8</td></tr>
<tr><td>1</td><td>Limited application of knowledge and understanding of relevant business concepts.

Limited ability to discuss opportunities and threats with little / no explanation.

Simple judgement with limited justification / limited evaluation of choice made.

Candidates outlining the opportunities and threats in context should be rewarded with the top marks in the band.</td><td>1–4</td></tr>
<tr><td>0</td><td>No Creditable Response</td><td>0</td></tr>
</table>

</td><td>**12**</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)</td><td>Relevant points might include:

<table>
<tr><td>Opportunities</td><td>• Websites can be used to promote SA and its holidays worldwide – reaches potential customers from other countries – cheaper than many other forms of promotion
• Bookings can be taken directly by SA over the internet – this means that intermediaries such as holiday companies are not required – SA profit margins are therefore not shared as it doesn’t pay them a fee
• Tourists may be encouraged to purchase more additional services when booking SA holidays – easier to link through to other services
• It is easier for SA to book hotel rooms for guests – quicker and cheaper than other communication methods such as phone calls
• Easier to change prices if necessary than having to republish holiday brochures – reprints are expensive, and this makes it cheaper</td></tr>
<tr><td>Threats</td><td>• High levels of competition from many other safari businesses in country X and other countries that may also have websites – makes it harder to be the business tourists choose to book from
• Website design may not be clear if Tokumbo does not know how to do this – are likely to be incurred for paying an expert to set up the site – and maintenance costs of up-dating the safari holiday site
• There is still no face-to-face contact with customers
• Customers may not be familiar with new businesses – less likely to buy if business not known</td></tr>
</table>
</td><td></td></tr>
</table>

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Question	Answer	Marks
1(b)	Conclusion: Justification might include: • E-commerce will provide more opportunities than threats as the target customers of SA are tourists from other countries and having a website is an easy way to promote SA **safari holidays** to these customers rather than using intermediaries that may sell holidays from several other holiday businesses. There are many competitors but as long as SA can keep attracting customers using the internet then revenue will increase, and the threats are less of a concern • E-commerce will provide more threats than opportunities as many competitors will also have websites and sell their **safari holidays** through online bookings. There is no guarantee that people searching for a holiday will find SA's website and they could easily find competitors' websites instead and hence not be aware of SA at all. Therefore, there is reduced revenue	

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Question	Answer	Marks
2(a)	**Explain <u>four</u> reasons why quality is important to a business.** Award 1 mark for each reason (max 4). Award a maximum of 1 additional mark for each explanation of the reason. **There are no application marks for this question**. Answers might include: To establish a brand image – so that customers are encouraged to buy the product and new customers are attracted • To build brand loyalty / customer loyalty – so that customers will make repeat purchases and maintain sales • To maintain a good reputation / not to gain a bad reputation – friends and family tell others about the good or service which may lead to a good / bad reputation • To increase sales / attract more customers – due to customer needs being satisfied by the products supplied • So that faulty products do not have to be replaced – which would reduce waste / ensures customer safety / avoids legal action • Able to charge a high price – may lead to higher profits / as may increase added value For example: To maintain a good reputation (1) because if quality is not good then friends and family will tell others about the product which may lead to a bad reputation and sales will be lower (1).	**8**

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

Consider the following <u>three</u> sources of finance Tokumbo could use for the new vehicles. Which source should he choose? Justify your answer.

- **Leasing**
- **Bank loan**
- **Retained profit**

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>3</td><td>Sound application of knowledge and understanding of relevant business concepts using appropriate terminology.

Detailed discussion of two or more sources.

Well-justified recommendation.

Candidates discussing all three sources in detail, in context and with a well-justified recommendation including why the alternative sources were rejected should be rewarded with the top marks in the band.</td><td>9–12</td></tr>
<tr><td>2</td><td>Sound application of knowledge and understanding of relevant business concepts using appropriate terminology.

Detailed discussion of at least one source.

Judgement with some justification / some evaluation of choice made.

Candidates discussing two of more sources in detail and applying it to the case should be rewarded with the top marks in the band.</td><td>5–8</td></tr>
<tr><td>1</td><td>Limited application of knowledge and understanding of relevant business concepts.

Limited ability to discuss the sources with little / no explanation.

Simple judgement with limited justification / limited evaluation of choice made.

Candidates outlining all three sources in context should be rewarded with the top marks in the band.</td><td>1–4</td></tr>
<tr><td>0</td><td>No creditable response.</td><td>0</td></tr>
</table>

</td><td>**12**</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(b)</td><td>Relevant points might include:
<table>
<tr><th></th><th>Advantages</th><th>Disadvantages</th></tr>
<tr><td>Leasing</td><td>• Allows SA to use the vehicles without a large sum of capital required to purchase it
• Payments are made each month so this spreads out the payments instead of one large sum at the start which can help management of cash flow
• Maintenance of the vehicle will be paid for by the lease company – lower cost
• May be able to purchase the vehicle at the end of the lease
• Easier to replace the vehicles more regularly as new models are brought out</td><td>• Will be more expensive than buying the vehicle outright as total cost is likely to be higher
• SA does not own the vehicle, so it is not an asset
• May have to return the vehicle at the end of the lease and will have to start again to replace it or safari tours may have to be cancelled</td></tr>
<tr><td>Bank loan</td><td>• Usually quite quick to arrange compared to some other sources
• Can be repaid over various periods of time – so if over a longer period then the repayments will be lower each month especially as interest rates are now only 2%
• Paid back in instalments – usually monthly</td><td>• It has to be repaid with interest – increases costs
• As SA is a small business then the interest rate on the loan may be quite high relative to the interest rate for a large business – it may be harder to be competitive with other holiday businesses
• As a sole trader Tokumbo will have his personal assets at risk if he does not repay the loan
• Security is often required</td></tr>
</table></td><td></td></tr>
</table>

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2(b)

	Advantages	Disadvantages
Retained profit	• Does not have to be repaid • No interest paid on it – making it a cheaper source of finance than possibly **2% on bank loans** • No security needed which would be required with a bank loan – Tokumbo does not have to risk any personal assets due to being a **sole trader**	• **SA only started 2 years ago** so there may not be any retained profit available to use • It may use all the reserves of SA then there will be no reserves left for any emergencies in the future • Reduces the payment to Tokumbo, as there will be less profit available to be distributed • Loss of **3% interest** as money not left in a savings account
Recommendation	Justification might include: • Leasing will be the best because no capital is required, and SA has **only been trading for 2 years** so is unlikely to have the funds required to be able to use retained profit. As Tokumbo is unlikely to have the capital to purchase a vehicle, leasing will allow him to use the vehicle and just make monthly payments which he can afford with revenue from **tourists when they pay for holidays**. A bank may not grant a loan as SA is **a new business** and may not have the financial statements that show it is able to repay the loan • A bank loan will be the best choice because Tokumbo needs to spread out the repayments for a new vehicle. The business has been **trading successfully for 2 years** and may have a good relationship with the bank. As a **sole trader** Tokumbo will use his personal assets as collateral for the loan so the bank will be willing to grant the loan • Retained profit should be used because it has the lowest cost of the three sources which is important as SA will be incurring increased expenditure **as it expands and provides more holidays**. Tokumbo will not want additional costs from interest payments if it can be avoided so retained profit will be more beneficial to SA than the other two sources	

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Question	Answer	Marks
3(a)	**Explain <u>one</u> advantage and <u>one</u> disadvantage to Tokumbo of being a sole trader.** 1 mark for each advantage/disadvantage identified (max 2). Award a maximum of 3 additional marks for explanation of each advantage/disadvantage for Tokumbo of being a sole trader – **one of which must be applied to this context.** Relevant advantages might include: • Owner is in complete control / makes all the decisions – likes being his own boss with no one to tell him what to do – prefers making all the business decisions instead of having to consult others – such as deciding whether to start offering other safari tours • Does not have to share profits – as there is only one owner – keeps all the returns from his own hard work – his 5 employees • It was easy to set-up – as there were few legal requirements – reduced the costs of setting up, such as accountancy costs • Freedom to choose own working hours or holidays – if worked for another business he would have to work the hours stated in his employment contract – which he would have done when he worked for a holiday company – no flexibility to change these hours if needed • Complete privacy – does not have to share any financial details with anyone else – apart from the tax office, as he will still have to pay tax Relevant disadvantages might include: • Unlimited liability / no limited liability – which means all his personal possessions are at risk – not just the capital he invested in the business • There is no-one to share responsibilities with or discuss business decisions – everything is the sole responsibility of the owner – this can be stressful, and he may be more likely to make mistakes • No continuity – if the owner dies then because the owner is the business it will end – unlike a company where the shares allow it to carry on as it has a separate legal identity • Lack of capital / difficult to raise finance – as only the funds of the sole trader or borrowing is available to the business – may make it more difficult to expand in the future • May need to work long hours / difficult to take holidays / increased workload For example: A disadvantage is that Tokumbo has unlimited liability (1) and he put his own money into the business to start it 2 years ago (app). If SA fails, he could lose all his personal possessions (1) and not just the capital he invested in SA as would happen if it was a limited company (1). **Application** could include: safari holidays; increase in tourists from other countries; high income tourists; luxury safari holidays; 5 employees; only been operating for 2 years; game reserve; camping / tent; wild animals; 4 safari guides; 4 safari vehicles; accommodation in local / luxury hotels; fuel.	**8**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(b)</td><td>

Using Appendix 3 and other information, consider the <u>three</u> options for the future growth of SA. Which option should Tokumbo choose? Justify your answer using appropriate calculations.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>3</td><td>Sound application of knowledge and understanding of relevant business concepts using appropriate terminology.

Detailed discussion of the two or more options.

Well-justified recommendation.

Candidates discussing all three options in detail, in context and with a well-justified recommendation including why the alternative options were rejected should be rewarded with the top marks in the band.</td><td>9–12</td></tr>
<tr><td>2</td><td>Sound application of knowledge and understanding of relevant business concepts using appropriate terminology.

Detailed discussion of at least one option.

Judgement with some justification / some evaluation of choice made.

Candidates discussing two or more options in detail and applying them to the case should be rewarded with the top marks in the band.</td><td>5–8</td></tr>
<tr><td>1</td><td>Limited application of knowledge and understanding of relevant business concepts.

Limited ability to discuss the options with little / no explanation.

Simple judgement with limited justification / limited evaluation of choice made.

Candidates outlining all three options in context should be rewarded with the top marks in the band.</td><td>1–4</td></tr>
<tr><td>0</td><td>No creditable response.</td><td>0</td></tr>
</table>

</td><td>12</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(b)</td><td>Relevant points might include:

<table>
<tr><td>Option 1</td><td>• Already familiar with these type of holidays – have existing customers that may return regularly
• Existing relationship with hotels so no need to find new suppliers
• Total costs of $12 000 per week are lower than Option 3
• Average cost per tourist is $1250 lower than Option 3 – but $500 higher than Option 2
• Profit per tourist is $250
• Total profit per week is $4000
• Revenue per week is $16 000 which is higher than Option 2</td></tr>
<tr><td>Option 2</td><td>• New target market and this has a growing trend for young people to demand this type of holiday
• Lower total costs to provide this holiday $8000 per week – this is the lowest of the 3 Options – less likely to cause a cash flow problem as the business expands as lowest outflow of cash to pay for costs
• The lowest average cost of the three options at $250 per tourist
• Total profit per week is the highest at $4800
• The revenue per week is the lowest of the 3 Options at $12 800
• However SA may need to buy tents and camping equipment – high initial cost of setting up for this option whereas the other options use hotel rooms
• Not familiar with the requirements of customers in this market and may have increased costs from carrying out market research into the preferences of young people</td></tr>
</table>
</td><td></td></tr>
</table>

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Question	Answer		Marks
3(b)	Option 3	• New target market and tourists are **willing to pay a high price for a luxury safari holiday** • Highest revenue of the 3 options at $24 000 per week • Highest price of $2400 per tourist can be charged – leads to higher profit per tourist per week • Average cost per tourist is the highest of the 3 Options at $2000 per week • Profit per tourist is $400 • Total profit per week is $4000 • However, costs are a lot higher than the other two options – **$20 000 per week**, $8000 more than Option 1 and $12 000 more than Option 2 • This is a new market for SA, and it may be difficult to **find suitable luxury hotels** to meet the needs of these consumers – need to establish relationship with new hotels • May need to buy more expensive vehicles which will further increase costs to serve the needs of these **high-income consumers**	

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Question	Answer	Marks
3(b)	Recommendation: Justification might include: • Option 1 is the best one to choose as it is a market Tokumbo is already familiar with and he just needs to **increase the number of vehicles and guides. The total cost is $12 000 per week** and makes the same profit per week of $4000 as option 3 without the risk of trying to attract a new target market. Option 2 is a very different market and SA has no experience of providing these types of holidays therefore the holidays may not meet the needs of these customers and SA may not attract the forecast 32 customers a week. Option 3 should not be chosen as it has high total costs and SA is a **new business of 2 years** with limited capital • Option 2 is the best one to choose as it has the lowest total costs and the highest total profit per week of the 3 options. The lowest average cost may make it easier for SA to be competitive with other tourist businesses in country X and set lower prices. Also this is a **growing market** so this option may make it easier for continued growth of SA in the future • Option 3 is the best one to choose because it has the highest price of the 3 options at $2000 per tourist. **High-income consumers** are less price sensitive making it easier for SA to charge a **high price for this holiday** and has the highest profit per tourist of $400. This also has the highest revenue at $24 000 per week, nearly twice as much as option 2	

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Question	Answer	Marks
4(a)	**Explain <u>two</u> possible effects on SA of the increase in the rate of inflation in country X.** Award 1 mark for each effect (max 2). Award a maximum of 3 additional marks for each explanation of an effect on SA of an increase in the rate of inflation in country X – **one of which must be applied to this context.** Relevant answers might include: • Likely rise in prices for safari tours – decreased demand / harder to attract tourists to country X – decreased revenue for SA if demand is price elastic – possible decrease in profits if costs rise more than revenue • Increase in costs for SA – may need to spend time sourcing lower cost inputs / updating the brochures – keep recalculating prices / need to keep printing brochures with new prices • More pressure to increase wages for SA employees – prices of basic goods may be increasing significantly in country X – as employees cannot maintain their standard of living without a wage increase – increases costs • Increased cost of investment / equipment – may mean expansion is delayed For example: Prices of basic goods may be increasing significantly in country X (1) as the inflation rate is now 4% (app). This will mean there is more pressure on SA to increase the wages of employees (1) because employees cannot maintain their standard of living without a wage increase (1). **Application** could include: safari holidays; increase in tourists from other countries; high income tourists; luxury safari holidays; 5 employees; only been operating for 2 years; sole trader; game reserve; camping / tent; wild animals; 4 safari guides; 4 safari vehicles; accommodation in local / luxury hotels; fuel.	**8**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(b)</td><td>Consider the advantages and disadvantages of <u>two</u> methods of training Tokumbo could use for his existing employees. Which method should he use? Justify your answer.
<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>3</td><td>Sound application of knowledge and understanding of relevant business concepts using appropriate terminology.

Detailed discussion of both methods.

Well-justified recommendation.

Candidates discussing both methods in detail, in context and with a well-justified recommendation including why the alternative method was rejected should be rewarded with the top marks in the band.</td><td>9–12</td></tr>
<tr><td>2</td><td>Sound application of knowledge and understanding of relevant business concepts using appropriate terminology.

Detailed discussion of at least one method.

Judgement with some justification / some evaluation of choice made.

Candidates discussing both methods in detail and applying it to the case should be rewarded with the top marks in the band.</td><td>5–8</td></tr>
<tr><td>1</td><td>Limited application of knowledge and understanding of relevant business concepts.

Limited ability to discuss the methods with little / no explanation.

Simple judgement with limited justification / limited evaluation of choice made.

Candidates outlining both methods in context should be rewarded with the top marks in the band.</td><td>1–4</td></tr>
<tr><td>0</td><td>No creditable response.</td><td>0</td></tr>
</table></td><td>12</td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4(b)</td><td>Relevant points might include:
<table>
<tr><th></th><th>Advantages</th><th>Disadvantages</th></tr>
<tr><td>On-the-job training</td><td>• Individual training given on the safari tours – leads to training specific to SA
• There will be some output from the trainee as training is provided while a safari tour is being given
• Usually costs less than off-the-job training – as it will be provided by existing employees</td><td>• Some output will be lost by the trainer as they would usually be working instead of training
• The trainer may pass on bad habits to the trainee – and these may lead to bad reputation with tourists / lower productivity</td></tr>
<tr><td>Off-the-job training</td><td>• Provided by experts – more knowledge of the different animals seen in the game reserve – better techniques taught
• The courses may be taught in the evening – so no tours are lost in the normal working day
• Employee may be taught a range of new skills that current employees may not know about – improves productivity</td><td>• Costs are usually higher – as tourist guides will usually be sent away to college or other training institution
• Employees are paid a wage, but no safari tours are being taken for the business whilst training
• Qualification gained by employees may make it easier for them to leave – may be attracted by another tourist business that will not then need to pay for training</td></tr>
</table></td><td></td></tr>
</table>

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GradeMax

Question	Answer	Marks
4(b)	Recommendation Justification might include: • On-the-job training is the best method to use because the employees will develop skills specific to the **safari tours** Tokumbo wants them to provide. If they undertake off-the-job training then it will not only cost more but it may not provide the training specific to SA, making it more expensive but less effective • Off-the-job training is the best method to use because it will be delivered by experts who will have the most up-to-date knowledge of the **wild animals in the game reserve** leading to better trained employees and they may be better than the employees of competitors. This may give SA a competitive edge and lead to higher sales that will more than cover the additional costs of the training	

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