Cambridge Assessment International Education

# Cambridge International AS & A Level

**BUSINESS** **9609/22**

Paper 2 Data Response **March 2021**

MARK SCHEME

Maximum Mark: 60

**Published**

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

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

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

Cambridge International is publishing the mark schemes for the March 2021 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.



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**[Turn over**

## 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.

**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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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)(i)</td><td>Define the term ‘corporate social responsibility’ (CSR) (line 4).<br><br>
<table>
<tr><th>Knowledge</th><th>Marks</th></tr>
<tr><td>A full definition</td><td>2</td></tr>
<tr><td>A partial, vague or unfocused definition</td><td>1</td></tr>
<tr><td>No credible content</td><td>0</td></tr>
</table>
<br>A full definition should cover the following:<br>• objectives/strategy focused on<br>• economic, social and environmental benefits (people, profit and planets), triple bottom line (at least two)<br><br>Content:<br>A business which aims to benefit society, the environment as well the owners (2)<br><br>Economic, social and environmental benefits not just about making profit (2)<br><br>An objective to look after the environment (1)<br><br>Economic, social and environmental benefits (1)</td><td>2</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)(ii)</td><td>
Explain the term ‘start-up capital’ (line 2).<br><br>
Award one mark for each point of explanation:<br><br>
<table>
<tr><th>Rationale</th><th>Marks</th></tr>
<tr><td>Example or some other way of showing good understanding. Can be a use of start-up capital or a source.</td><td>1</td></tr>
<tr><td>Understanding that it is to launch a business / set-up / seed money</td><td>1</td></tr>
<tr><td>Understanding of the concept money invested, used in a business</td><td>1</td></tr>
</table>
<br>
Content:<br>
Money invested (1) to purchase everything necessary to set-up (1) a business, e.g. machinery (1)<br><br>
Money used (1) to purchase everything necessary to launch (1) a business<br><br>
Other appropriate responses should also be credited.<br><br>
Do not accept ‘start’ as it is in the question.<br><br>
Do not accept $10 000 invested in FF as this is repetition from the data.<br><br>
The money needed for a business does not NAQ.
</td><td>3</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)(i)</td><td>Refer to Table 1.1 and any other relevant information. Calculate the maximum weekly revenue for pricing strategy 1.<br><br><table><tr><th>Rationale</th><th>Marks</th></tr><tr><td>Correct answer (with or without working or $)</td><td>3</td></tr><tr><td>Correct use of figures</td><td>2</td></tr><tr><td>Correct formula</td><td>1</td></tr><tr><td>No credible content</td><td>0</td></tr></table><br>$5 × 20 = $100 (per session)<br>$100 × 2 = $200 (per day)<br>$200 × 5 = $1000 (per week)<br><br>Answer = $1000 (accept with or without $)<br><br>OFR applies<br><br>Do not reward incorrect answers e.g. $500 or $200 without working.</td><td>3</td></tr>
<tr><td>1(b)(ii)</td><td>Explain <u>one</u> advantage to FF of pricing strategy 2.<br><br><table><tr><th>Level</th><th>Knowledge and application</th><th>Marks</th></tr><tr><td>2b (APP + APP)</td><td>Explanation of one advantage to FF of pricing strategy 2.</td><td>3</td></tr><tr><td>2a (APP)</td><td>Identification of one advantage to FF of pricing strategy 2.</td><td>2</td></tr><tr><td>1 (K)</td><td>Knowledge of one or more pricing strategies.</td><td>1</td></tr><tr><td>0</td><td>No creditable content</td><td>0</td></tr></table><br>Knowledge of pricing strategies may include: competitive, penetration, skimming, price discrimination, cost-based pricing.<br><br>Knowledge of pricing strategies can be implied.<br><br>Possible advantages of pricing strategy 2 include:<br>• Guaranteed income – no matter how many people Flora would get $75<br>• Helps with cash flow – when Flora is starting the business.<br><br>Other appropriate responses should also be credited.</td><td>3</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(c)</td><td>
Analyse <u>two</u> sources of secondary market information Flora could use to find out more about trends in the fitness market.
<table>
<tr><th></th><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis (4 marks)</th><th>Marks</th></tr>
<tr><td>2b</td><td>Shows understanding of two sources of secondary market information in context</td><td>4</td><td>Good analysis of two sources of secondary market information in context</td><td>4</td></tr>
<tr><td>2a</td><td>Shows understanding of one source of secondary market information in context</td><td>3</td><td>Good analysis of one source of secondary market information in context</td><td>3</td></tr>
<tr><td>1b</td><td>Shows knowledge of two sources of secondary market information with no context</td><td>2</td><td>Limited analysis of two sources of secondary market information</td><td>2</td></tr>
<tr><td>1a</td><td>Shows knowledge of one source of secondary market information with no context</td><td>1</td><td>Limited analysis of one source of secondary market information</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>
Note: annotate the first source in the left-hand margin and the second source in the right-hand margin.<br><br>
Knowledge and understanding may include:<br>
Examples of sources of secondary market information
<ul>
<li>Reports</li>
<li>Census data</li>
<li>News reports</li>
<li>Magazines</li>
<li>Newspapers</li>
<li>Internet</li>
</ul>
Application may include:
<ul>
<li>Fitness activities (fitness market is in the question)</li>
<li>$10 000 start-up capital</li>
<li>ABC is a national bank with a focus on CSR</li>
<li>‘Healthy employer’</li>
<li>Why employees do not go to fitness centres</li>
</ul>
</td><td>8</td></tr>
</table>

| Question | Answer | Marks |
|---|---|---|
| 1(c) | **Analysis may include:**<br>• Impacts on the business that could arise from the secondary source research<br>• Costs/limitations of the secondary research (out-dated)<br>• Benefits of the secondary research (quicker, cheaper etc.)<br><br>**Exemplars:**<br>• Published reports about keeping fit can provide data on current fitness trends which can influence her work out routines.<br>• News reports detailing fitness trends which can be done in lunch hours to meet target market needs.<br><br>Other appropriate responses should also be credited. | |

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

**Evaluate the benefits to ABC of offering employees fitness sessions.**

<table>
<tr><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis and Evaluation (7 marks)</th><th>Marks</th></tr>
<tr><td></td><td></td><td>Justified evaluation/ judgement based on argument in context</td><td>7</td></tr>
<tr><td></td><td></td><td>Developed evaluation/ judgement based on argument in context</td><td>6</td></tr>
<tr><td></td><td></td><td>An evaluative statement/ judgement based on argument in context</td><td>5</td></tr>
<tr><td rowspan="2">Shows understanding of motivating employees in context</td><td rowspan="2">3–4</td><td>Argument(s) based on two benefits of ABC offering employee fitness sessions</td><td>4</td></tr>
<tr><td>Argument(s) based on one benefit of ABC offering employee fitness sessions</td><td>3</td></tr>
<tr><td rowspan="2">Shows knowledge of motivating employees</td><td rowspan="2">1–2</td><td>Limited analysis of two benefits of motivating employees</td><td>2</td></tr>
<tr><td>Limited analysis of one benefit of motivating employees</td><td>1</td></tr>
<tr><td colspan="3">No creditable content</td><td>0</td></tr>
</table>

**Knowledge and understanding may include:**
- Motivation; theory and practice
- Fringe benefits and perks
- HRM

**Application may include:**
- ABC – a national bank
- ABC – focus on CSR
- One session before work and one session at lunchtime
- Paid by bank (discount/fringe benefit) for employees
- Survey revealed that high prices and lack of time are reasons employees do not go to the gym
- Fitness is becoming a trend in country P

**Analysis may include:**
- Benefits of fitness sessions to employees
- Impact on ABC of fitness session

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

| Question | Answer | Marks |
|---|---|---|
| 1(d) | **Evaluation:**<br>• Extent of the benefit(s) to ABC<br>• Benefit(s) of sessions vs costs to ABC<br>• What the benefit(s) might depend on; number of participating employees, interest from ABC employees, etc.<br>• A judgement over whether fitness sessions are more of a benefit than a cost to ABC<br>• A judgement over which is the most important benefit to ABC.<br><br>Other appropriate responses should also be credited. | |

| Question | Answer | Marks |
|---|---|---|
| 2(a)(i) | **Define the term 'private limited company' (line 1).**<br><br>**Knowledge** / **Marks**<br>A full definition / 2<br>A partial, vague or unfocused definition / 1<br>No creditable content / 0<br><br>Note: a correct definition should not confuse a private limited company with any other form of legal ownership.<br><br>A full definition should cover the following elements:<br>• owners have limited liability<br>• cannot sell shares on the stock market.<br><br>**Content:**<br>A business with limited liability and shares cannot be sold on the stock market (2)<br><br>An incorporated business and shares can only be offered to specified people (2)<br><br>A business with limited liability (1)<br><br>Can only offer shares to specified people (1)<br><br>An incorporated business (1)<br><br>Do not credit 'A company with private owners' as TV. | **2** |

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

**Explain the term 'shareholders' (line 2).**

Award one mark for each point of explanation

| Knowledge | Marks |
|---|---|
| Example or some other way of showing good understanding, e.g. a benefit of being a shareholder; dividends, invite to AGM etc. | 1 |
| Some understanding that it is ownership of part of a company | 1 |
| Understanding of ownership of a business (buys, purchases, invests etc.) | 1 |

**Content:**
Owner (1) of a part of a business (1) and receives dividends (1)

A person or company that owns (1) at least one part of a business (1) and benefit from a rise in the value of a company (1)

The owner (1) of a part of a business (1)

Owns the business (1)

Other appropriate responses should also be credited.

Do not accept share in a company.

</td><td>3</td></tr>
<tr><td>2(b)(i)</td><td>

**Refer to table 2.1. Calculate the gross profit margin for 2020.**

| Rationale | Marks |
|---|---|
| Correct calculation (with or without working or %) | 3 |
| Correct use of figures | 2 |
| Correct formula | 1 |
| No credible content | 0 |

Note: formula can be implied form correct use of figures

$$\text{Gross profit margin} = \frac{\text{Gross profit}}{\text{Revenue}} \times 100$$

$$\text{Gross profit margin} = \frac{\$12\,000\,000}{\$25\,000\,000} \times 100 = 48\%$$

Do not accept an incorrect answer e.g. 0.48 without working.

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(b)(ii)</td><td>
Explain <u>one</u> possible reason for the change in FB's Gross Profit Margin.
<table>
<tr><th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr>
<tr><td>2<br>(APP + APP)</td><td>Explanation of one reason for a change in gross profit margin in context</td><td>3</td></tr>
<tr><td>1b<br>(APP)</td><td>Explanation of one reason for a change in gross profit in context</td><td>2</td></tr>
<tr><td>1a<br>(K)</td><td>Identification of one reason for a change in gross profit</td><td>1</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>
Knowledge:<br>
A change in gross profit margin is likely to come from:
<ul>
<li>A decrease in costs – whilst maintaining (or increasing revenue) revenue</li>
<li>An increase in revenue – whilst maintaining (or decreasing costs)</li>
</ul>
Context is likely to come from:
<ul>
<li>GPM is increasing from 33.33% to 41.67% to 48% (OFR from Q2bi)</li>
<li>Revenue has increased from $1.8m to $7.2m to $25m</li>
<li>Brand awareness has increased</li>
<li>Market share has increased</li>
<li>Demand for premium meat-free burgers has increased in country Q</li>
<li>FB uses semi-skilled workers</li>
<li>FB uses batch production</li>
</ul>
Exemplars:<br>
Revenue has increased (K) from $1.8m in 2018 to $25m in 2020 (App) but costs have not risen by as much as revenue (App)<br><br>
FB is selling more (K) because the market share has increased (App) and gained economies of scale (App)<br><br>
Other appropriate responses should also be credited.
</td><td>3</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(c)</td><td>
Analyse <u>one</u> advantage and <u>one</u> disadvantage to FB of changing from batch production to flow production.
<table>
<tr><th>Level</th><th>Knowledge and application</th><th>Marks</th><th>Analysis</th><th>Marks</th></tr>
<tr><td rowspan="2">2</td><td>Shows understanding of both batch and flow production in context</td><td>4</td><td>Developed analysis of one advantage and one disadvantage of changing from batch to flow production in context</td><td>4</td></tr>
<tr><td>Shows understanding of batch or flow production in context</td><td>3</td><td>Developed analysis of one advantage or one disadvantage of changing from batch to flow production in context</td><td>3</td></tr>
<tr><td rowspan="2">1</td><td>Shows knowledge of both batch and flow production</td><td>2</td><td>Limited analysis of one advantage and one disadvantage of changing from batch to flow production</td><td>2</td></tr>
<tr><td>Shows knowledge of batch or flow production</td><td>1</td><td>Limited analysis of one advantage or one disadvantage of changing from batch to flow production</td><td>1</td></tr>
<tr><td>0</td><td colspan="3">No creditable content</td><td>0</td></tr>
</table>
Note: annotate advantages in left-hand margin and disadvantages in right-hand margin.<br><br>
Knowledge:<br>
• Batch production<br>
• Flow production
</td><td>8</td></tr>
</table>

| Question | Answer | Marks |
|---|---|---|
| 2(c) | **Application:**<br>• Premium meat-free burgers<br>• Semi-skilled workers<br>• Burgers are promoted as 'hand-made'<br>• Demand for premium meat-free burgers increasing<br>• FB's brand awareness and market share has been increasing<br>• Good customer retention<br>• Factory not modern enough to keep up with demand<br>• Need for an external source of finance<br><br>**Analysis:**<br>Advantages may include:<br>• Faster production<br>• Uniformity of production<br>• Increased quality (fit for purpose)<br>• Economies of scale<br>• Lower labour costs<br>Disadvantages may include:<br>• Decreased perceived quality (less premium)<br>• Reduced employee motivation<br>• Initial capital cost<br>• Possible decreasing demand in the future<br><br>Other appropriate responses should also be credited. | |

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(d)</td><td>
Recommend which source of finance FB should choose to fund the change of production method. Justify your recommendation.
<table>
<tr><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis and Evaluation (7 marks)</th><th>Marks</th></tr>
<tr><td></td><td></td><td>A justified recommendation for FB’s chosen source of finance in context</td><td>7</td></tr>
<tr><td></td><td></td><td>A recommendation for FB’s chosen source of finance in context</td><td>6</td></tr>
<tr><td></td><td></td><td>An evaluation statement of one source of finance in context</td><td>5</td></tr>
<tr><td>Understanding of venture capital and a bank loan in context</td><td>4</td><td>Two-sided argument based on the use of venture capital or a bank loan in context</td><td>4</td></tr>
<tr><td>Understanding of venture capital or understanding of a bank loan in context</td><td>3</td><td>One-sided argument based on the use of venture capital or a bank loan in context</td><td>3</td></tr>
<tr><td>Knowledge of two sources of finance</td><td>2</td><td>Limited analysis two sources of finance</td><td>2</td></tr>
<tr><td>Knowledge of one source of finance</td><td>1</td><td>Limited analysis of one source of finance</td><td>1</td></tr>
<tr><td colspan="3">No creditable content</td><td>0</td></tr>
</table>
Note: annotate one-side of the argument in the left-hand margin and the other side in the right-hand margin.<br><br>
Knowledge:<br>
Internal sources of finance:<br>
• retained earnings, sale of unwanted assets, sale and leaseback of non-current assets, working capital.<br>
External sources of finance:<br>
• share capital, new partners, venture capital, overdrafts, leasing, hire purchase, bank loans, mortgages, debentures, micro-finance, crowd funding and government grants.
</td><td>11</td></tr>
</table>

| Question | Answer | Marks |
|---|---|---|
| 2(d) | **Application:**<br>Source 1 (venture capital):<br>• 10% ownership of FB for $1m – values the business at $10m.<br>• She wants to be part of the decision-making at FB.<br>• Experience of growing business in country Q.<br>Source 2 (bank loan):<br>• High interest rate.<br>• Bank manager worried that demand may decline in the future.<br>• Needs to be repaid within a year.<br><br>**Analysis:**<br>Source 1 (venture capital):<br>• Lower profit/dividend for Bill and Sanjay – however revenue and GPM is growing.<br>• VC may disagree with Bill and Sanjay – however her experience may be beneficial.<br>• VC knows how to grow a business – however she may not have any knowledge of the specific market.<br>Source 2 (bank loan):<br>• Increased business costs (interest) – however no loss of ownership.<br>• Speed of repayment may affect business operations/growth – however reduces the interest to be paid.<br>• May increase risk of business – however no impact on Bill and Sanjay's decision making.<br><br>**Evaluation:**<br>• A judgement/recommendation over which source should be chosen<br>• Evaluation of the most important factors in the decision.<br>• Evaluation of what other information the decision may depend upon; market expectations, external influences etc.<br><br>Other appropriate responses should be credited. | |

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