Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Short Answer and Essay **February/March 2022**

MARK SCHEME

Maximum Mark: 40

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.

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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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9609 Paper 1 Specific Marking Principles

Marks are awarded for each answer when the following Assessment Objectives (AO) are met. The mark scheme for each answer indicates when and how each AO can be met.

AO1 – Demonstrate knowledge and understanding of business concepts.
The focus in Section A of the Examination Paper is on this first AO.

(a) Questions 1, 2, and 4 will meet this AO using definitions and explanations of business concepts.
(b) Question 3 provides an opportunity for the application and a more developed explanation of a business concept. The 4–5-mark level specifically provides for this more developed explanation.

In Section B of the Examination Paper
(a) Questions 5, 6, and 7 still require supporting **Knowledge and Understanding (AO1)**, but there is now a focus on **Application (AO2), Analysis (AO3),** and **Evaluation (AO4).** These skills are set out below:

AO2 – Apply knowledge and understanding of business concepts to general and specific situations and contexts.

(a) Where a specific business or context is named in the question then the candidate is required to relate answers specifically to this business or context.
(b) It is not sufficient to merely repeat the name of the business or the context.

AO3 – Analyse business problems, issues, situations and contexts, through a discussion and interpretation of evidence, debate, theory, impact and consequence, to produce reasoned and coherent arguments.

(a) Level 3 answers will likely use terms such as – because, leads to, therefore, so that, as a result, consequently – thereby showing analytical development for AO3.

AO4 – Limited Evaluation is given

(a) When an attempt is made, (probably in a concluding section of an answer), to address and comment on the value and validity of the previous analysis.
(b) These comments may be quite brief and be more opinionated than reasoned.
(c) A mere concluding summary of preceding analysis is, however, not evaluation.

AO4 – Evaluation occurs

(a) When an answer comments on the validity/significance of previous analysis in an evidence based and reasoned way.
(b) This often leads to the presentation of appropriate substantiated judgements, decisions, or recommendations.

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Annotations and their use

Annotation	Use
✓	As an indication of relevant and rewardable content. Better to put these in the body of the answer.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
BOD	Used when the benefit of the doubt is given in order to reward a response.
TV	Used when parts of the answer are considered to be too vague.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates that general business application has been shown in the response.
CON	Indicates that the specific context of the question has been addressed.
X CON	A combination of X and CON. Used at the end of an answer to indicate that context has not been addressed.
AN	Indicates where the answer has demonstrated analysis.
EVAL	Indicates where the answer has demonstrated evaluation.
REP	This indicates where content has been repeated.
X	Only used in combination with CON as above.
SEEN	Indicates that content has been recognised but not rewarded.

Question	Answer	Marks
1(a)	**Define the term 'marginal cost'.** The extra cost of producing one more unit of output (2). Formula $\frac{\text{Change in total cost of output}}{\text{Change in quantity of output}}$ (2). Cost of making more products (1). Producing one more product / unit of output (1). Extra variable costs (1). Sound definition 2 of the factors listed above (2 marks) Partial definition 1 of the factors listed above (1 mark) No creditable content. (0 marks)	**2**
1(b)	**Explain <u>two</u> uses of break-even analysis.** *Answers could include:* • Identify the effect of changes in the fixed or variable costs and revenues. • Identify how changing circumstances will affect the break-even point and margin of safety to decide whether this is acceptable. • Explore different scenarios using amended costs and revenues • Deciding whether to launch a new product. • Marketing decision – impact of a price increase. • Operations management decision – purchase of new equipment with lower variable costs. • Choosing between two locations for a new factory. **Accept any other valid response.** Sound explanation of **two** uses of break-even analysis. (3 marks) Sound explanation of **one** use or partial explanation of **two** uses of break-even analysis. (2 marks) Partial explanation of **one** use of break-even analysis, or a list of **two** uses. (1 mark) No creditable content. (0 marks)	**3**

Question	Answer	Marks
2(a)	**Define the term 'commission'.** A payment to a salesperson for each sale made (2). Payment used for salespeople / to pay people who sell products (1). A payment method (1). Can be an extra payment over basic salary (1). Paying employees who sell things (1). Sound definition 2 of the factors listed above (2 marks) Partial definition 1 of the factors listed above (1 mark) No creditable content. (0 marks)	**2**
2(b)	**Explain <u>two</u> disadvantages to a business of using empowerment to motivate its employees.** *Answers could include:* • Employees not capable of taking control over their work. • Empowerment/training and development makes employees attractive to other businesses (poaching). • Employees prefer other methods of motivation. • Managers need to keep control over production. • Employees are unskilled. • Managers are Theory X not Theory Y. **Accept any other valid response.** Sound explanation of **two** disadvantages to a business of using empowerment to motivate its employees. (3 marks) Sound explanation of **one** disadvantage or partial explanation of **two** disadvantages to a business of using empowerment to motivate its employees. (2 marks) Partial explanation of **one** disadvantage to a business of using empowerment to motivate its employees, or a list of **two** disadvantages. (1 mark) No creditable content. (0 marks)	**3**

Question	Answer	Marks
3	**Explain the problems a sole trader might have if they change the legal structure to a partnership.** *Answers may include:* • A sole trader would lose total control of the business as would have to share ownership with the other partners. This would affect the way the business operates. • A Deed of Partnership should be produced. If not, there may be issues later with sharing of responsibility / workload, role allocation, division of costs and profits etc. • Some partners can damage the reputation of the business by their actions. • The partners may have different ideas about how to run the business. • Conflict may arise between the different partners due to different objectives or idea of importance within the business. • There may be problems when one partner wants to leave or dies. **Accept any other valid response.** Effective explanation with specific example(s) of the problems a sole trader might have if they change the legal structure to a partnership. (4–5 marks) Limited explanation of the problems a sole trader might have if they change the legal structure to a partnership. (2–3 marks) Explanation of a sole trader and/or a partnership. (1 mark) No creditable content. (0 marks)	**5**

Question	Answer	Marks
4(a)	**Define the term 'customer (market) orientation'.** An outward looking approach (1). Led by the market (1). Basing product decisions on customer demand (1). Using the findings of market research (1). Producing what the customer / market wants (1). Putting the consumer first (1). Sound definition 2 of the factors listed above (2 marks) Partial definition 1 of the factors listed above (1 mark) No creditable content. (0 marks)	**2**

Question	Answer	Marks
4(b)	**Explain <u>two</u> limitations to a business of using market segmentation.** *Answers could include:* • Cost taken to research the needs of the different segments. • Time taken to research the needs of the different segments. • Cost of research and development to adapt the product to different market segments. • Additional cost of changes to production to meet the needs of different segments. • Focus on one or two limited market segments may result in problems if consumers in that segment change their buying habits. • Promotion costs may be high as different types of promotions might be needed for different segments. • Marketing economies of scale may not be possible. • Production and inventory management costs may be higher than those for producing one type of product. **Accept any other valid response.** Sound explanation of **two** limitations to a business of using market segmentation. (3 marks) Sound explanation of **one** limitation or partial explanation of **two** limitations to a business of using market segmentation. (2 marks) Partial explanation of **one** limitation to a business of using market segmentation, or a list of **two** limitations. (1 mark) No creditable content. (0 marks)	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>

Analyse the benefits of using internal sources of finance for business growth.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of the benefits of using internal sources of finance for business growth.</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of the benefits of using internal sources of finance for business growth.</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of the benefits of using internal sources of finance for business growth.</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of internal sources of finance / growth of a business.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>

Answers may include:

Knowledge and Understanding 2 marks
- Clear understanding of internal sources of finance.
- Clear understanding of growth of a business.

Application 2 marks
- Reference to the use of internal sources of finance.
  - Retained earnings
  - Sale of unwanted assets
  - Sale and leaseback of non-current assets
  - Working capital
- Reference to growth of a business:
  - having more machinery
  - having more workers
  - making more products
  - having more customers
  - selling more products
  - increasing product portfolio
  - having larger / more premises

Analysis 4 marks
- The benefits and limitations of different sources of internal finance.
- Interest saved.
- No need to take out loans.
- Flexibility of using internal sources.
- Ready availability of internal sources.
- Less risky than using external finance.
- The use of different sources of finance for particular types of growth.

Accept any other valid response.

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(b)</td><td>

Discuss whether the published accounts of a luxury hotel provide a good measure of the performance of the business.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of whether the published accounts of a (luxury) hotel provide a good measure of the performance of the business.</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of whether the published accounts of a (luxury) hotel provide a good measure of the performance of the business.</td><td>7–8</td></tr>
<tr><td>2</td><td>Application and analysis of whether the published accounts of a business provide a good measure of the performance of the business.</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of published accounts / performance of a business / (luxury) hotel.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Answers may include:

Knowledge and Understanding 2 marks
- Clear understanding of published accounts
- Clear understanding of performance of a business
- Clear understanding of (luxury) hotel

Application 2 marks
- Reference to the use of published accounts
- Reference to the performance of a business

Analysis 2 marks
- Analysis of ways of measuring the performance of a business.
- Analysis of how published accounts provide a good measure of the performance of a business.
- Analysis might recognise the usefulness and limitations of published accounts.
- Limitations of quantitative measures of performance.
- Potential importance of qualitative measures of performance.

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

Question	Answer	Marks
5(b)	**Evaluation 6 marks** • A candidate may make a judgement/conclusion as to whether the published accounts of a (luxury) hotel provide a good measure of the performance of the business. • These judgements/conclusions may be made at any point in the essay as well as in a concluding section • The context is a (luxury) hotel • Reference to a hotel e.g. rooms, guests, holidays, business travellers, facilities (meals etc)**.** • Evaluation of whether published accounts provide a good measure of the performance of the business**.** • Evaluation of the relative usefulness and limitations of published accounts. • Evaluation of whether the usefulness of published accounts varies depending on which stakeholders of the business are using them. • Evaluation of whether other measures provide a more appropriate measure of the performance of the business. Eg quality of service, comments on feedback questionnaires, reviews on forums, return customers. • Reference could be made to the level of competition in this market. • Strong answers may refer to the target market of luxury hotels and that their performance is measured differently to more basic or standardised hotels. **Accept any other valid response.**	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6</td><td>

'The most effective way for a loss-making retail clothing business to survive is to change the price element of its marketing mix.'

Discuss whether you agree with this statement.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>5</td><td>Effective evaluation of the statement that "The most effective way for a loss-making retail clothing business to survive is to change the price element its marketing mix."</td><td>17–20</td></tr>
<tr><td>4</td><td>Limited evaluation of the statement that "The most effective way for a loss-making retail clothing business to survive is to change the price element its marketing mix."</td><td>15–16</td></tr>
<tr><td>3</td><td>Good analysis of the statement that "The most effective way for a loss-making retail business to survive is to change the price element its marketing mix."</td><td>11–14</td></tr>
<tr><td>2</td><td>Limited analysis with application of the statement that "The most effective way for a (loss-making) business to survive is to change its marketing mix."</td><td>5–10</td></tr>
<tr><td>1</td><td>Knowledge and understanding of a loss-making business / (clothing) retail business / business survival / marketing mix.</td><td>1–4</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and Understanding 4 marks
- Clear understanding of a loss-making business.
- Clear understanding of a retail business.
- Clear understanding of a business survival.
- Clear understanding of a marketing mix.

Application 4 marks
- Reference to ways that a loss-making / retail / clothing business.
- Reference to ways that a business can change its marketing mix.

Analysis 6 marks
- Analysis of advantages / disadvantages of changing elements of the marketing mix including pricing.
- Analysis of advantages / disadvantages of ways that a (loss-making) business can survive.
- Analysis of why it might be difficult to survive in a retail (clothing) market.
- Analysis of the marketing mix that is used in the retail (clothing) market.

</td><td>**20**</td></tr>
</table>

Question	Answer	Marks
6	**Evaluation 6 marks** • A candidate may make a judgement/conclusion as to whether 'The most effective way for a loss-making retail clothing business to survive is to change the price element its marketing mix.' • These judgements/conclusions may be made at any point in the essay as well as in a concluding section • The context is a loss-making retail clothing business**.** • Reference to retail clothing businesses e.g. GAP, H&M, Next, ASOS. • Evaluation of reasons why it might be difficult to survive in the retail clothing market. • Evaluation of the marketing mix that is used in the retail clothing market. • Consideration of the level of competition within the retail clothing market and the market share of the top retailers, which will affect survival of different businesses. • Consideration of how important different elements of the marketing mix are to the consumers in this market and therefore which elements may be the most effective to change. • Consideration of the ease and ability of the loss-making business to change its marketing mix. • Whether there are short / long term effects of changing the marketing mix which need to be considered by the loss-making business. **Accept any other valid response.**	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>7(a)</td><td>

Analyse factors that might determine the relocation of a business.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of factors that might determine the relocation of a business.</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of factors that might determine the relocation of a business.</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of factors that might determine the relocation of a business.</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of relocation of a business.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>

Answers may include:

Knowledge and Understanding 2 marks
- Clear understanding of relocation of a business.

Application 2 marks
- Factors that might cause relocation of a business.

Analysis 4 marks
Factors that might determine the relocation of a business:
- Geographic – climatic or physical conditions e.g. volcanic eruption, flooding. Consideration of CSR / environmental effects. Room for expansion.
- Demographic – changing population structure. Target market no longer exists in the original location, consumer attitudes to actions of the business.
- Legal – import and export taxes and quotas make it appropriate to move operations to a different country. Planning restrictions.
- Political – changes in political landscape make existence in original country impossible e.g. lack of democracy, change in attitudes of government to certain types of business, change to a planned economy.
- Resources – closer to inputs, labour etc to reduce production costs, change in available resources in the current location.
- Infrastructure – better infrastructure appropriate to the business to reduce transport costs or provide better communication.
- Marketing – the effect of ecommerce so a physical location unnecessary.

Accept any other valid response.

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>7(b)</td><td>

Discuss whether flexibility of operations might improve the sales of a toy manufacturing business.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of whether flexibility of operations might improve the sales of a toy manufacturing business.</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of whether flexibility of operations might improve the sales of a toy manufacturing business.</td><td>7–8</td></tr>
<tr><td>2</td><td>Application and analysis of whether flexibility of operations might improve the sales of a (toy/manufacturing) business.</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of flexibility / operations / sales / manufacturing.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and Understanding 2 marks
- Clear understanding of flexibility.
- Clear understanding of operations.
- Clear understanding of sales.
- Clear understanding of manufacturing.

Application 2 marks
- How flexibility of operations might improve the sales of a business.
- How flexibility of operations might improve a manufacturing business.
- Reference to toy manufacturing business.

Analysis 2 marks
- Advantages and disadvantages of different types of flexibility of operations of a business e.g. ability to change levels of production, increased capacity, hold high stocks, adaptable workforce, range of products, reaction to consumer demand, use of automation, robotics, flow production, mass customisation.
- Analysis of how flexibility of operations might improve the sales of a (toy manufacturing) business.
- Advantages and disadvantages of methods of improving sales of a business e.g. promotion, reduced price, improved product, quality, customer service.
- Reference to toys e.g. dolls, cars, construction, farm animals, puzzles, etc.
- Reference to toy manufacturers e.g. Mattel, Hasbro Fisher-Price, Lego.

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

Question	Answer	Marks
7(b)	**Evaluation 6 marks** • A candidate may make a judgement/conclusion as to whether flexibility of operations might improve the sales of a toy manufacturing business**.** • These judgements/conclusions may be made at any point in the essay as well as in a concluding section • The context is a toy manufacturing business**.** • There are many opportunities to improve the operational flexibility and this will depend on the type of toy, the size of the business, the demands of the consumer, the size of the market. • Discussion of the relative importance of flexibility of operations to improving sales. • The extent to which other methods of improving sales may be more effective e.g. marketing. • The extent to which flexibility of operations may be the key to developing a competitive advantage in the competitive toy manufacturing industry. • The extent to which the cost of implementing flexibility of operations is balanced by the improvement in sales of the business. • Recognition that flexibility of operations can lead to significant cost reductions and improvements in operational efficiency, however this may not have any effect on the consumers and their willingness to buy the product. **Accept any other valid response.**	