Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/23**

Paper 2 Data Response **May/June 2020**

MARK SCHEME

Maximum Mark: 60

Published

Students did not sit exam papers in the June 2020 series due to the Covid-19 global pandemic.

This mark scheme is published to support teachers and students and should be read together with the question paper. It shows the requirements of the exam. The answer column of the mark scheme shows the proposed basis on which Examiners would award marks for this exam. Where appropriate, this column also provides the most likely acceptable alternative responses expected from students. Examiners usually review the mark scheme after they have seen student responses and update the mark scheme if appropriate. In the June series, Examiners were unable to consider the acceptability of alternative responses, as there were no student responses to consider.

Mark schemes should usually be read together with the Principal Examiner Report for Teachers. However, because students did not sit exam papers, there is no Principal Examiner Report for Teachers for the June 2020 series.

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

Cambridge International is publishing the mark schemes for the June 2020 series for most Cambridge IGCSE™ and Cambridge International A & 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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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)(i)</td><td>Define the term ‘joint venture’ (line 2).

<table>
<tr><th>Knowledge</th><th>Marks</th></tr>
<tr><td>A correct definition</td><td>2</td></tr>
<tr><td>A partial, vague or unfocused definition</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>

Content
A business arrangement where two or more businesses (parties) agree to pool resources for a specific task.

A business entity created by two or more businesses with a common interest.</td><td>2</td></tr>
<tr><td>1(a)(ii)</td><td>Explain the difference between ‘redundancy’ and ‘dismissal’ (line 28).

Award one mark for each point of explanation:
<table>
<tr><th></th><th>Knowledge</th><th>Marks</th></tr>
<tr><td>A</td><td>Explanation of the difference between redundancy and dismissal</td><td>3</td></tr>
<tr><td>B</td><td>An understanding of redundancy (may be implied)</td><td>1</td></tr>
<tr><td>C</td><td>An understanding of dismissal (may be implied)</td><td>1</td></tr>
</table>

Content:
• Redundancy is where an employee is made to leave an organisation because their job role is no longer required.
• Dismissal is where an employer ends a worker’s employment
• The difference is that redundancy is about the job role not being required any more, whereas dismissal is when the employee is no longer required. (A mark, B and C implied)
• Redundancy can only happen after two years’ service, whereas dismissal can occur at any point in employment. (A mark, B and C implied)

ARA</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 information. Calculate the total revenue from entrance tickets for SH in 2019.

<table>
<tr><th>Rationale</th><th>Marks</th></tr>
<tr><td>Correct answer with or without correct working or $</td><td>4</td></tr>
<tr><td>Correct calculation of number of customers</td><td>3</td></tr>
<tr><td>Correct calculation of TVC</td><td>2</td></tr>
<tr><td>Formula</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>
Note: A correct answer must (in some way) be expressed in millions (e.g. m)

Answer = $110m

Quantity = $\frac{\text{TC} - \text{FC}}{\text{VC (per unit)}}$

$42m – $12m = $30m (TVC)

$\frac{\$30\text{m}}{\$3\text{m}} = 10\text{m}$ customers

$10\text{m} \times \$11$ = $110m revenue</td><td>4</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)(ii)</td><td>
Explain one way in which SH could increase the sales of entrance tickets.
<table>
<tr><th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr>
<tr><td>2 (APP)</td><td>Explanation of a way to increase sales of entrance tickets in context</td><td>2</td></tr>
<tr><td>1 (K)</td><td>Explanation of a way to increase sales/revenue</td><td>1</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>
Note: This question is specifically about ‘entrance tickets’. Answers which focus on increasing revenue by other means (e.g. restaurants, fast-track etc.) are unlikely to be contextual. The hotel option gives customers FREE entrance tickets so is unlikely to be contextual.

Content:
• Develop the rides e.g. the VR ride
• Decrease the price – may be elastic because of competition
• Selling through different distribution channels e.g. advance tickets, online tickets etc.
• Promotion – any method in context

ARA
</td><td>2</td></tr>
</table>

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

Analyse two factors that may have determined the location of SH.

<table>
<tr><th>Level</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 (or more) factors which may determine location in context</td><td>4</td><td>Good analysis of two (or more) factors which may determine location in context</td><td>4</td></tr>
<tr><td>2a</td><td>Shows understanding of one factor that may determine location in context</td><td>3</td><td>Good analysis of one factor that may determine location in context</td><td>3</td></tr>
<tr><td>1b</td><td>Shows knowledge of two (or more) factors which may determine location</td><td>2</td><td>Limited analysis of two (or more) factors which may determine location</td><td>2</td></tr>
<tr><td>1a</td><td>Shows knowledge of one factor that may determine location</td><td>1</td><td>Limited analysis of one factor that may determine location</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>

Content:

- Access to employees – SH employs 200 f/t workers and 50 seasonal
- Access to suppliers – restaurants, shops, builders etc.
- Space – large rides (2 km^2 of land), car park etc.
- Access to customers – 10m customers a year
- Access to raw materials – water rides etc.
- Infrastructure – ease of access for visitors

ARA

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

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

Recommend which one of the two options SH should choose for internal growth. 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>Justified evaluation based on arguments in context</td><td>7</td></tr>
<tr><td></td><td></td><td>Developed evaluation based on arguments in context</td><td>6</td></tr>
<tr><td></td><td></td><td>An evaluative statement based on arguments in context</td><td>5</td></tr>
<tr><td>Shows understanding of the two options for internal growth</td><td>3–4</td><td>Arguments based on the two options for internal growth</td><td>3–4</td></tr>
<tr><td>Shows knowledge of internal growth</td><td>1–2</td><td>Limited analysis of internal growth</td><td>1–2</td></tr>
<tr><td colspan="4">No creditable content</td></tr>
</table>

Content:

Option 1: A new Virtual Reality (VR) ride

- May improve the popularity of the theme park
- New modern technology (VR) is likely to appeal to the target market (10–18 year olds)
- Significantly lower cost than hotel ($2m compared to $15m)
- Less time closed (3 months compared to a year)
- Can be completed in off-peak time
- No redundancy payments or risk of unfair dismissal

Option 2: A hotel

- Keep up with competitors
- New revenue source – high price rooms
- More opportunity to spend longer time in park – restaurants, shops etc.
- May be an opportunity to get rid of poorly performing employees (are they the reason why customers have decreased on the Iron Blaster ride?)

ARA

</td><td>**11**</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(i)</td><td>Define the term ‘secondary sector’ (line 1).

<table><tr><th>Knowledge</th><th>Marks</th></tr><tr><td>A correct definition</td><td>2</td></tr><tr><td>A partial, vague or unfocused definition</td><td>1</td></tr><tr><td>No creditable content</td><td>0</td></tr></table>
Content:
Businesses that manufacture raw materials (or assemble components) into finished goods</td><td>2</td></tr>
<tr><td>2(a)(ii)</td><td>Explain the term ‘market segmentation’ (line 6).

Award one mark for each point of explanation:
<table><tr><th>Knowledge</th><th>Marks</th></tr><tr><td>Example or some other way of showing good understanding</td><td>1</td></tr><tr><td>Understanding of segmentation</td><td>1</td></tr><tr><td>Understanding of a market</td><td>1</td></tr></table>
Content
Dividing the total population that might demand a product or service into smaller sections where people share certain characteristics. For example, a soft drinks manufacturer might segment their market by age groups.

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(b)(i)</td><td>Refer to Table 2.1. Calculate the total number of meals per day produced by both teams.

<table>
<tr><th>Rationale</th><th>Marks</th></tr>
<tr><td>Correct answer with or without correct working</td><td>2</td></tr>
<tr><td>Correct calculation of total day shift meals or total night shift meals</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>

Answer = 42 000 meals

1000 workers X 30 meals = 30 000 meals (day)

500 workers X 24 meals = 12 000 meals (night)

OFR</td><td>2</td></tr>
<tr><td>2(b)(ii)</td><td>Explain two ways in which FF may be affected by the lower productivity of employees working in Team B.

<table>
<tr><th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr>
<tr><td>2b (APP +APP)</td><td>Explanation of two effects of low productivity in context</td><td>4</td></tr>
<tr><td>2a (APP)</td><td>Explanation of one effect of low productivity in context</td><td>3</td></tr>
<tr><td>1b (K+K)</td><td>Identification of two effects of low productivity</td><td>2</td></tr>
<tr><td>1a (K)</td><td>Identification of one effect of low productivity</td><td>1</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Content:
• FF may have reduced revenue from having less meals to sell to airlines.
• FF may have higher costs than the competition – very competitive market.
• FF may not be able to afford the capital for mass production.
• Low productivity may make the decision to move to mass production more appealing.
• May lead to dismissing some of the 500 night-shift workers.
• May lead to tougher targets for the workers.

ARA</td><td>4</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(c)</td><td>
Analyse two possible disadvantages for FF of using Just in Time (JIT) to manage inventory.
<table>
<tr><th>Level</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 just in time inventory control in context</td><td>4</td><td>Good analysis of two disadvantages of Just in Time inventory control in context</td><td>4</td></tr>
<tr><td>2a</td><td>Shows understanding of inventory control in context</td><td>3</td><td>Good analysis of one disadvantage of Just in Time inventory control in context</td><td>3</td></tr>
<tr><td>1b</td><td>Shows knowledge of Just in Time inventory control</td><td>2</td><td>Limited analysis of two disadvantages of Just in Time inventory control</td><td>2</td></tr>
<tr><td>1a</td><td>Shows knowledge of inventory control</td><td>1</td><td>Limited analysis of one disadvantage of Just in Time inventory control</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>
Content:
• Risk of running out of stock
• More planning needed
• Must have good relationship with supplier
• No backup inventory in case of a supply chain problem
• Poor quality products may lead to major disruption
• No spare finished stock just in case

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

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

Evaluate the possible effects on FF of a change from a labour intensive process to a capital intensive process.

<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 based on argument in context</td><td>7</td></tr>
<tr><td></td><td></td><td>Developed evaluation based on argument in context</td><td>6</td></tr>
<tr><td></td><td></td><td>An evaluative statement based on argument in context</td><td>5</td></tr>
<tr><td>Shows understanding of staff morale and welfare in context</td><td>3–4</td><td>Argument based on effects on staff morale and welfare of a move from a labour intensive process to a capital intensive process</td><td>3–4</td></tr>
<tr><td>Shows knowledge of staff morale and welfare</td><td>1–2</td><td>Limited analysis of effect(s) on staff morale and welfare</td><td>1–2</td></tr>
<tr><td colspan="4">No creditable content</td></tr>
</table>

Content:

- Staff morale is the job satisfaction, outlook, and feelings of well-being an employee has within a workplace setting.
- Staff welfare is about keeping workers healthy and safe.
- Some workers may be made redundant – this is likely to affect the morale of the workers still employed by FF.
- A move to capital intensive may lead to a less satisfying job for the employees of FF – less variety of meals, etc.
- Employees may lose the 5 minute changeover time – may have H&S implications – working longer hours, more intensive etc.
- Employees may see that there is even less job security (already low with 6-month contracts).
- The loss of production targets may improve staff morale because there is less pressure to produce.
- The speed of production will be set by the machinery which may put workers under undue pressure, or to produce at an unrealistic rate.

ARA

</td><td>**11**</td></tr>
</table>