Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/21**

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

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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.

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

<table>
<tr><th>Knowledge</th><th>Marks</th></tr>
<tr><td>A correct definition / to the same/ similar market</td><td>2</td></tr>
<tr><td>A partial, vague or unfocused definition / same or similar product</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>

Content
• One mark for other businesses/individuals
• One mark for same/similar market; same/similar product
• Other businesses (1) offering the same product or service (1)
• Other similar businesses (1) that sell similar goods/services (1)
• A rival person/organisation/company/firm (1) in the same or similar industry (1) trying to reach the same/similar target market (1)
ARA</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 'dynamic pricing' (line 4).

Award one mark for each point of explanation:

C	Example or some other way of showing good understanding	1 mark
B	Understanding of dynamic (changes in response to market/demand/time of day etc)	1 mark
A	Understanding of pricing (allow any understanding of a quantitative value) e.g. quantitative value/amount/figure charged/cost	1 mark

Content
Varying what the customer pays (1) for a product or service to reflect changing market conditions (1) such as higher prices at peak times (1) to maximise revenue (1) e.g. often used on apps or websites (1)

Allows firms to set prices according to demand. Businesses adjust prices on apps or websites. Flexible pricing in real-time.

Exemplar	Mark	Rationale
What the customer pays varies due to changing demand factors e.g. monitored on websites	3	A, B and C – websites shows HOW the price can change constantly
What the customer pays varies due to changing demand factors	2	A and B mark – explanation of why prices change
Pricing which changes due to factors such as demand	1	B mark – flexible pricing
Price varies CONSTANTLY	1	B mark – flexible pricing
Pricing that changes/differs from time to time	1	No A mark – B mark only
Changes due to distance	1	
Pricing that changes	0	Too vague

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>

Explain <u>one</u> way Ray could increase his profit margin.

<table>
<tr><th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr>
<tr><td>2 (APP+APP)</td><td>Explanation of a factor which would increase the profit margin in context</td><td>3</td></tr>
<tr><td>2a (APP)</td><td>Explanation of a factor which would increase profit in context</td><td>2</td></tr>
<tr><td>1a (K)</td><td>Identification of a factor affecting profit</td><td>1</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Content
Increase number of journeys without a change in taxi maintenance costs
Reduce costs without change in number of journeys/price eg buying an electric car
Negotiate a higher (than 80%) return from Summus
Work longer hours as Summus fixed costs do not change

ARA

<table>
<tr><th>Exemplar</th><th>Mark</th><th>Rationale</th></tr>
<tr><td>Increases number of taxi journeys which reduce fixed costs per journey</td><td>3</td><td>Explanation of a factor in context</td></tr>
<tr><td>Increases number of taxi journeys</td><td>2</td><td>Explanation of a factor not in context</td></tr>
<tr><td>Increase the prices</td><td>1</td><td>Affects profit margin</td></tr>
<tr><td>Decrease prices to increase revenue and profit</td><td>1</td><td>Profit, not profit margin</td></tr>
</table>

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

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)(ii)</td><td>Refer to Table 1.1. Calculate Ray’s forecast average daily revenue if he joins Summus.

<table>
<tr><th>Rationale</th><th>Marks</th></tr>
<tr><td>Correct answer with or without correct working or $</td><td>3</td></tr>
<tr><td>Attempt with correct figures</td><td>2</td></tr>
<tr><td>Formula/attempt to calculate</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>

Content
Revenue = (P × Q) (1)

= ($15 × 16 journeys) = 240 (2)
= $240 × 80% = 192 (3)

= $192 (3)</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> pricing methods, other than dynamic pricing, Summus could use to price taxi fares.

<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 methods of pricing in context</td><td>4</td><td>Developed analysis of two methods of pricing in context</td><td>4</td></tr>
<tr><td>2a</td><td>Shows understanding of one method of pricing in context</td><td>3</td><td>Developed analysis of one method of pricing in context</td><td>3</td></tr>
<tr><td>1b</td><td>Shows knowledge of two methods of pricing</td><td>2</td><td>Limited analysis of two methods of pricing</td><td>2</td></tr>
<tr><td>1a</td><td>Shows knowledge of one method of pricing</td><td>1</td><td>Limited analysis of one method of pricing</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>

Content

Any two pricing methods such as competitive, penetration, skimming.
Context could come from competitive market, new service in city L.

Note:
- Do not reward dynamic as in the case study.
- Be careful to distinguish between pricing methods for customers and payment methods for drivers

<table>
<tr><th>Identification of pricing method (K -1)</th><th>Understanding in context (APP)</th><th>Limited analysis (AN)</th><th>Developed analysis in context (Dev)</th></tr>
<tr><td>Competitive</td><td>As increasing competition (in city L)</td><td>Which would mean the USP may make them more popular</td><td>Which would lead to an increase in demand/revenue</td></tr>
<tr><td>Penetration</td><td>to increase brand awareness for taxi’s (in city L)</td><td>Which would lead to an increase of customers in the short term</td><td>And hopefully long term customer loyalty</td></tr>
</table>

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 whether Ray should join Summus. Justify your recommendation.
<table>
<tr><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Annotation</th><th>Analysis and Evaluation (7 marks)</th><th>Marks</th><th>Annotation</th></tr>
<tr><td></td><td></td><td></td><td>A justified recommendation based on developed arguments</td><td>7</td><td>EVAL + EVAL + EVAL</td></tr>
<tr><td></td><td></td><td></td><td>A developed recommendation based on developed arguments</td><td>6</td><td>EVAL + EVAL</td></tr>
<tr><td></td><td></td><td></td><td>A basic recommendation/evaluation based on developed arguments</td><td>5</td><td>EVAL</td></tr>
<tr><td>Shows understanding of two elements of decision making in context</td><td rowspan="2">3–4</td><td>APP + APP</td><td>Two arguments based on two elements of decision making in context</td><td>4</td><td>DEV + DEV</td></tr>
<tr><td>Shows understanding of one element of decision making in context</td><td>APP</td><td>One argument based on one element of decision making in context</td><td>3</td><td>DEV</td></tr>
</table></td><td>11</td></tr>
</table>

Question	Answer	Marks
1(d)		

Knowledge and Application (4 marks)	Marks	Annotation	Analysis and Evaluation (7 marks)	Marks	Annotation
Shows knowledge of decision making	1–2	K + K	Limited analysis of two or more elements of decision making	2	AN + AN
		K	Limited analysis of one element of decision making	1	AN
	No creditable content				

Content

Knowledge and understanding

- Factors affecting knowledge of decision making for a business

Application

- Ray's demand has fallen
- Increasing competitors
- No other taxi drivers employed by Summus in city L
- App uses dynamic pricing
- Ray gets 80% / Sumus gets 20%
- Data from Table 1.1 and 1.2
- Passengers like Summus app
- Taxi drivers like Summus App
- Signs of too many taxi drivers
- Drivers not employed
- Drivers not guaranteed revenue
- Longer customer waiting times when fares are low

Analysis

- Analysis of reasons for and against Ray joining Summus

Evaluation

- A recommendation for Ray based on arguments in context as to whether he should or should not join Summus
- A judgement over which argument is most important
- An evaluation of the level of argument
- What the judgement/evaluation might depend upon.

Question	Answer	Marks

K	APP	AN	DEV	EVAL
More customers	As booked through app	Higher revenue	Although dynamic pricing may reduce Ray's overall income if not a peak time	Ray should join Summus as customers like convenience and creating his own app would be expensive, however it depends on whether he is willing to work only at peak times and the revenue from Summus is likely to be above his sole trader revenue
High total costs	As $42 per day + 20%	Which reduces Rays gross profit	Which may be less than earnings as a sole trader	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(i)</td><td>
Define the term ‘margin of safety’ (line 4).
<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 link to breakeven
Knowledge of the difference between breakeven and actual output

The difference between the break-even level of output (1) and the actual level of output. (1)

ARA
<table>
<tr><th>Exemplar</th><th>Mark</th><th>Rationale</th></tr>
<tr><td>The difference between the BE and actual level of output</td><td>2</td><td>Clear understanding</td></tr>
<tr><td>The output over breakeven</td><td>2</td><td>Correct answer</td></tr>
<tr><td>The revenue over the breakeven point</td><td>1</td><td>Understanding of difference</td></tr>
<tr><td>Anything explaining JUST breakeven</td><td>1</td><td>Partial definition</td></tr>
</table>
Be careful not to award revenue for breakeven as it is output
</td><td>2</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(ii)</td><td>
Explain the term ‘co-operative’ (line 1)

Award one mark for each point of explanation:
<table>
<tr><th></th><th></th><th>Marks</th></tr>
<tr><td>C</td><td>Example or some other way of showing good understanding e.g. share the profits between members or provides a job for members</td><td>3</td></tr>
<tr><td>B</td><td>Members could be employees, customers or local residents/community</td><td>2</td></tr>
<tr><td>A</td><td>Businesses owned and run for and by their members</td><td>1</td></tr>
</table>
C marks dependent on A and B mark being present

Content
Businesses owned and run for and by their members. Members could be employees, customers or local residents/community. Members have an equal say in business decisions and share the profits.

NOTE – be careful not to award marks for a description of a partnership

ARA
<table>
<tr><th>Exemplar</th><th>Mark</th><th>Rationale</th></tr>
<tr><td>A business owned and run by members who share total profits</td><td>3</td><td>All three elements</td></tr>
<tr><td>A business owned and run by members such as employees</td><td>2</td><td>No expansion</td></tr>
<tr><td>Owned and run by employees</td><td>1</td><td>No understanding of being a member</td></tr>
<tr><td>Owned and run by members</td><td>1</td><td>No understanding of who members are</td></tr>
<tr><td>Several people come together to create a business</td><td>0</td><td>No ownership or decision making</td></tr>
</table>
</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 price that JTG should charge per ticket in order to break even at 200 ticket sales.
<table>
<tr><th>Rationale</th><th>Marks</th></tr>
<tr><td>Correct answer, with or without working and $ sign</td><td>3</td></tr>
<tr><td>Attempt to calculate with correct figures</td><td>2</td></tr>
<tr><td>Formula/attempt to calculate</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>
<table>
<tr><td>Content
Fixed costs = $900
Variable costs = $2 per ticket
BE = 200 tickets

BE = FC / (P – VC) (1)

200 = 900 / (P – 2)
P – 2 = 900/200
P – 2 = 4.50 (2) (if working present)
Price per ticket = $6.50 (3)</td><td>Content
Fixed costs = $900
Variable costs = $2 per ticket
BE = 200 tickets

Total costs @ breakeven level = $1300 (1)

1300/200 (2)

PPT = ($) 6.50 (3)</td></tr>
</table></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> advantage to JTG of using break-even analysis.

Level	Knowledge and Application	Marks
2a (App)	Explanation of one advantage of using break even analysis **in context**	3
1b (K+K)	Explanation of one advantage of using break even analysis	2
1a (K)	Identifies one advantage of using break even analysis	1
0	No creditable content	0

Useful for pricing tickets.
Can carry out ‘what if’ analysis e.g. what if JTC cannot sell 200 tickets in advance?
OFR

ARA

Exemplar	Mark	Rationale
Can help in making pricing decisions to ensure a profit is made for the single theatre performance	**3**	1 advantage explained in context
Identify how many tickets should be sold to reach the amount they need to breakeven	**3**	1 advantage explained in context
Can help in making pricing decisions to ensure a profit is made	**2**	1 advantage explained
Can help in making pricing decisions	1	One advantage id’d
Less waste as can identify the BE point	0	You need excess to make profit

</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>two</u> elements of the marketing mix which would be useful to JTG in marketing its play.

<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 elements of the marketing mix in context</td><td>4</td><td>Developed analysis of two elements of the marketing mix in context</td><td>4</td></tr>
<tr><td>2a</td><td>Shows understanding of one element of the marketing mix in context</td><td>3</td><td>Developed analysis of one element of the marketing mix in context</td><td>3</td></tr>
<tr><td>1b</td><td>Shows knowledge of two elements of the marketing mix</td><td>2</td><td>Limited analysis of two elements of the marketing mix</td><td>2</td></tr>
<tr><td>1a</td><td>Shows knowledge of one element of the marketing mix</td><td>1</td><td>Limited analysis of one element of the marketing mix</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>

Content

<table>
<tr><td>Place – Is the theatre in a good location</td><td>Consumer wants and needs</td></tr>
<tr><td>Price – Break-even price could be used from 2bi</td><td>Cost to consumer</td></tr>
<tr><td>Promotion – Cost, probably a limited budget</td><td>Convenience to consumer</td></tr>
<tr><td>Product – is the play suitable for the audience</td><td>Communication to consumer</td></tr>
</table>

ARA

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(c)</td><td>
<table>
<tr><th>Identification of marketing mix (K)</th><th>Understanding in context (APP)</th><th>Limited analysis (AN)</th><th>Developed analysis in context (Dev)</th></tr>
<tr><td>Price</td><td>Breakeven price – $6.50 (or OFR)</td><td>Useful to attract customers</td><td>Which increases revenue</td></tr>
<tr><td>Place (distribution channel)</td><td>Sales on the internet
Buying on the night</td><td>Allows convenience for customer in ticket purchasing</td><td>Which would increase ticket sales</td></tr>
<tr><td>Product</td><td>Is in a 300 seat theatre
Anything to do with plays/ performances/1 night only</td><td>Increases customer satisfaction</td><td>Which gets/spreads brand awareness</td></tr>
<tr><td>Promotion</td><td>Co-operative/ any promotion method related to theatre</td><td>Which boosts customer awareness</td><td>Which leads to an increase in demand</td></tr>
</table>
</td><td></td></tr>
</table>

Question	Answer	Marks
2(d)	**Evaluate whether JTG should perform only in city M.**	**11**

Knowledge and Application (4 marks)	Marks	Annotation	Analysis and Evaluation (7 marks)	Marks	Annotation
			A justified judgement/evaluation based on arguments	7	EVAL + EVAL + EVAL
			A developed judgement/ evaluation based on developed arguments	6	EVAL
			A basic judgement/evaluation based on developed arguments	5	EVAL
Shows understanding of two factors affecting location in context	4	APP + APP	Argument based on two factors affecting location in context	4	DEV + DEV
Shows understanding of one factor affecting location in context	3	APP	Argument based on one factor affecting location in context	3	DEV
Shows knowledge of two factors affecting location	2	K + K	Limited analysis of two factors affecting location	2	AN + AN

Question	Answer	Marks
2(d)		

Knowledge and Application (4 marks)	Marks	Annotation	Analysis and Evaluation (7 marks)	Marks	Annotation
Shows knowledge of one factor affecting location	1	K	Limited analysis of one factor affecting location	1	AN
	No creditable content				

Content
Arguments
Lower costs e.g. marketing and transport, so higher profits
Able to build up / engage with a loyal local audience
Finance sources such as crowdfunding
Build a reputation

Disadvantages
Smaller market – wider audiences if tour
Would not be eligible for a touring grant from the government – cheap source of finance
Need to put on new plays regularly
Might be more profitable venues / bigger audiences in other towns

K	APP	AN	DEV	EVAL
Smaller market (disad)	People will usually only see a play once	Which leads to decreased long term revenues	And lower profit share for coop members	JTG should stay in city M as it allows actors to become confident in their lines and improve, however it depends on whether city M is a popular destination for theatre goers so there is a constant supplier of new customers
Lower costs (adv)	No transportation of sets and costumes	However gvmt grants are available	Which increases profits for JTG	