Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/23**

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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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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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)(i)</td><td>
Define the term ‘market research’ (line 15).
<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>
Gaining information about the potential customers for a product/service

A correct definition should include the following elements:

• Gaining information / finding out about
• about the potential customers for a product/service.

<table>
<tr><th>Exemplar</th><th>Rationale</th><th>Marks</th></tr>
<tr><td>Finding out about potential customers for a food</td><td>Both elements</td><td>2</td></tr>
<tr><td>Researching about customers for a good</td><td>One element</td><td>1</td></tr>
<tr><td>Finding information about the market</td><td>One element and a tautology.</td><td>1</td></tr>
<tr><td>Researching the market</td><td>Tautology</td><td>0</td></tr>
</table>
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 ‘social awareness’ (line 29).
<table>
<tr><th></th><th>Knowledge</th><th>Marks</th></tr>
<tr><td>C</td><td>Example or some other way of showing good understanding, e.g. one of Goleman’s competencies</td><td>1</td></tr>
<tr><td>B</td><td>Understanding of the issues/problems/have empathy with</td><td>1</td></tr>
<tr><td>A</td><td>Understanding that it is do with society/community/organisations/people</td><td>1</td></tr>
</table>
Social awareness – an understanding of the problems that different members of society / the community / an organisation face; having empathy/understanding of the issues in a business e.g. is able to negotiate successfully.
<table>
<tr><th>Exemplar</th><th>Rationale</th><th>Marks</th></tr>
<tr><td>According to Goleman’s competencies (C) it means understanding a society’s (A) problems (B).</td><td>All three elements</td><td>3</td></tr>
<tr><td>Having empathy with the issues (B) facing a community (A)</td><td>A and B</td><td>2</td></tr>
<tr><td>Understanding a society (A)</td><td>A only. There must be understanding that it is to do with issues to gain the B mark.</td><td>1</td></tr>
<tr><td>Being aware of social norms</td><td>Tautology</td><td>0</td></tr>
</table>
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. Calculate the profit margin Bilal made on the last three apartments that he bought and sold.

Rationale	Marks
Correct answer(s) with or without correct working or units	4
Correct calculation of total revenue **AND** total profit(s)	3
Correct calculation of total revenue **OR** total profit(s)	2
Formula (can be implied from the correct use of figures)	1
No creditable content	0

Award full marks for a correct answer, with or without working or %

Content
Formula:
$\frac{\text{Total revenue}}{\text{Total profit}} \times 100$ (1)

Apartment A – $14 000 profit
$\frac{\$14\,000}{\$8000} \times 100 = 17.5\%$
Apartment B – $20 000 profit
$\frac{\$20\,000}{\$150\,000} \times 100 = 13.33\%$
Apartment C – $10 000 loss
$\frac{\$-10\,000}{\$70\,000} \times 100 = -14.29\%$

Total = $24 000 total profit

Total revenue = $80 000 + $150 000 + $70 000 = $300 000 (1)

$\frac{\$24\,000}{\$300\,000} \times 100 = 8\%$ (4)

OFR

</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 <u>one</u> way in which Bilal may add value to the apartments he buys.
<table>
<tr><th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr>
<tr><td>2 (APP)</td><td>Explanation of a way in which Bilal may add-value to the houses that he sells</td><td>2</td></tr>
<tr><td>1 (K)</td><td>Identification of a way of adding value</td><td>1</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>
Knowledge may include:
• Difference between the price of a product and cost of inputs
• Increase in value of a product/service created by a business
• Created by the production process

Application may include:
• Renovation – Bilal might decorate, alter the layout, renew the bathroom/kitchen (allow any reasonable renovation of an apartment).
• Brand name – Bilal has been doing this for two years and house buyers may see his houses as being of a high-quality
• Buying at a low price
• Increasing the quality of the house

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 <u>two</u> factors which could influence the demand for buying apartments in city W.

<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 factors which could influence demand in context</td><td>4</td><td>Good analysis of two factors which could influence demand in context</td><td>4</td></tr>
<tr><td>2a</td><td>Shows understanding of one factor which could influence demand in context</td><td>3</td><td>Good analysis of one factor which could influence demand in context</td><td>3</td></tr>
<tr><td>1b</td><td>Shows knowledge of two factors which could influence demand</td><td>2</td><td>Limited analysis of two factors which could influence demand</td><td>2</td></tr>
<tr><td>1a</td><td>Shows knowledge of one factor which could influence demand</td><td>1</td><td>Limited analysis of one factor which could influence demand</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>

Factors influencing demand could include:

- Price expectations/substitutes/complements – the price of the apartment will influence demand because it will affect the disposable income for potential customers.
- Mortgage rates – people often purchase apartments with a mortgage, so the rate at which the mortgage is repaid will affect their ability to purchase
- Tastes and preferences – the area in which the apartment is located may affect the willingness of customers to purchase
- Competition – the other apartments in the area for sale/rent will affect people's willingness to purchase
- Income levels
- Fashion – how trendy an area is

Context could come from relating to:

- Property market
- City e.g. to find jobs, avoid commuting
- Value added from renovations
- Renting versus buying

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 Bilal should enter into a business partnership with Sophie. 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 recommendation based on arguments in context</td><td>7</td></tr>
<tr><td></td><td></td><td>Developed recommendation based on arguments in context</td><td>6</td></tr>
<tr><td></td><td></td><td>An evaluative statement/recommendation based on arguments in context</td><td>5</td></tr>
<tr><td>Shows understanding of a partnership in context</td><td>3–4</td><td>Arguments based on Bilal entering into a partnership with Bilal.</td><td>3–4</td></tr>
<tr><td>Shows knowledge of a partnership</td><td>1–2</td><td>Limited analysis of becoming a partnership</td><td>1–2</td></tr>
<tr><td colspan="4">No creditable content</td></tr>
</table>
Knowledge may include:

Two or more owners of a business
Unlimited liability
Possibility of conflicts
Share decisions/skills/profits/losses

Application may include:

Bilal will have to share his profit with Sophie – however Sophie’s profit margin (11%) is higher than Bilal’s at 8%.
Sophie has managed to buy and sell more houses than Bilal in the past year.
Sophie has a lower success rate (four out of six made profit) compared with Bilal (four out of five made profit, in total).
Sophie has working capital of $150 000 which may allow Bilal to take advantage of the housing boom.
Sophie has the social skills that Bilal lacks – may help to find buyers / be able to sell at higher prices / negotiate better rates with contractors – so add more value
Bilal does not like working with other people – will this put him outside of his comfort zone.

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

Question	Answer	Marks
1(d)	Arguments may include: • Have to share profits • Less control for Bilal • May disagree over direction of the business However: • Spreads the risks • Sophie's skills complement Bilal's • She can contribute capital Recommendation based on arguments **ARA**	

Question	Answer	Marks
2(a)(i)	**Define the term 'liquidity' (line 15).** **Knowledge** / **Marks** A correct definition / 2 A partial, vague or unfocused definition / 1 No creditable content / 0 The ability (cash) for a business to pay its short-term debts / the ease with which assets can be turned into cash (or are cash) to use immediately. A correct definition should include the following elements: • Assets that can be turned into cash • To use immediately if needed or to pay short-term debts **Exemplar** / **Rationale** / **Marks** Liquidity means current assets that can be quickly sold for cash / Both elements / 2 The ability to sell assets for cash / No mention of immediacy / 1 Liquidity means an asset that is liquid / Tautology / 0 ARA	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(ii)</td><td>
Explain the term ‘internal growth’ (line 13).

Award one mark for each point of explanation:
<table>
<tr><th></th><th>Rationale</th><th>Marks</th></tr>
<tr><td>C</td><td>Example or some other way of showing good understanding</td><td>1</td></tr>
<tr><td>B</td><td>Understanding of the concept of internal</td><td>1</td></tr>
<tr><td>A</td><td>Knowledge of growth</td><td>1</td></tr>
</table>
When a business increases in size, by reinvesting money to increase output, for example using retained profit to buy new assets. Often referred to as organic or natural growth. Could come from developing new products, increasing efficiency, successful marketing, diversification, process change etc.
<table>
<tr><th>Exemplar</th><th>Rationale</th><th>Marks</th></tr>
<tr><td>When a business increases in size (A) using its own resources (B) generated from increased efficiency (C)</td><td>A+B+C</td><td>3</td></tr>
<tr><td>When a business expands (A) by reinvesting profits (B)</td><td>A and B</td><td>2</td></tr>
<tr><td>Opening new branches (A + B)</td><td>Expansion and internal both implied</td><td></td></tr>
<tr><td>When a business expands (A)</td><td>A point only</td><td>1</td></tr>
<tr><td>When a business grows internally</td><td>Tautology</td><td>0</td></tr>
</table>
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 and any other relevant information. Calculate the total revenue from selling the Classic belt in 2020.

<table>
<tr><th>Rationale</th><th>Marks</th></tr>
<tr><td>Correct answer with or without correct working or $</td><td>2</td></tr>
<tr><td>Formula or correct calculation of the revenue for one belt</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>

Output = 265 000
Price = $11

Formula:
Output × price = revenue (1)
or
10 000 + 60 000 + 40 000 + 15 000 + 80 000 + 60 000 = 265 000 belts (1)

265 000 × $11 = $2 915 000 ($2.915m)

Total revenue = $2.915m (2)
2915 (1) (without $ and million)</td><td>2</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 and <u>one</u> disadvantage to BU of selling a range of sizes and colours of the Classic belt.
<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 and one disadvantage to BU of selling a range of sizes and colours for the classic belt.</td><td>4</td></tr>
<tr><td>2a (APP)</td><td>Explanation of one advantage or one disadvantage to BU of selling a range of sizes and colours for the classic belt.</td><td>3</td></tr>
<tr><td>1b (K+K)</td><td>Identification of one advantage and one disadvantage of selling a range of products</td><td>2</td></tr>
<tr><td>1a (K)</td><td>Identification of one advantage or one disadvantage of selling a range of products</td><td>1</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>
Advantages may include:

To increase sales revenue – each size and colour has a relatively large number of sales
To suit/attract a larger number of market segments
To target a mass market

Disadvantages may include:

High levels of inventory
Increased training for workers
Different levels of demand

Context could include:

Reference to data in table 2.1
Batch production
Non-perishable product

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</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 <u>two</u> disadvantages to BU of the proposed process innovation.

<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 process innovation in context</td><td>4</td><td>Good analysis of two disadvantages of process innovation in context</td><td>4</td></tr>
<tr><td>2a</td><td>Shows understanding of one element of process innovation in context</td><td>3</td><td>Good analysis of one disadvantage of process innovation in context</td><td>3</td></tr>
<tr><td>1b</td><td>Shows knowledge of two elements of process innovation</td><td>2</td><td>Limited analysis of two disadvantages of process innovation</td><td>2</td></tr>
<tr><td>1a</td><td>Shows knowledge of one element of process innovation</td><td>1</td><td>Limited analysis of one disadvantage of process innovation</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>

Knowledge may include:
- Putting a new approach into action
- About adding value
- Improving/developing existing goods, services or processes
- Need to understand customer needs
- Developing imaginative solutions
- Can be expensive

Analysis may include:
- May require retraining of the 70 workers in the factory – additional costs for BU
- Will require the purchase of machinery for mass production – does BU have the finance available?
- May lose their reputation of being hand-made
- Could lead to redundancy of the 70 factory workers
- No guarantee that the new belt will be successful, so the investment in the new process may be wasted

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 usefulness of Mintzberg's roles of management for BU when recruiting a new factory manager.

<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 Mintzberg's management roles in context</td><td>3–4</td><td>Argument based on the usefulness of Mintzberg's management roles in context</td><td>3–4</td></tr>
<tr><td>Shows knowledge of Mintzberg's management roles</td><td>1–2</td><td>Limited analysis of the use of Mintzberg's management roles</td><td>1–2</td></tr>
<tr><td colspan="4">No creditable content</td></tr>
</table>

Knowledge may include:

Interpersonal roles
- Figurehead
- Leader
- Liaison

Informational roles
- Monitor
- Disseminator
- Spokesperson

Decisional roles
- Entrepreneur
- Disturbance Handler
- Resource Allocator
- Negotiator

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

Question	Answer	Marks
2(d)	Application and Analysis may include Mintzberg's roles are useful because: • Figurehead – Factory manager must inspire the 70 workers and 8 supervisors • Leader – Factory manager must lead the 70 workers and 8 supervisors • Liaison – To meet regularly with the worker representatives • Monitor – New process for the mass-produced belts and the inventory in the warehouse • Disseminator – 70 workers and supervisors – need to get information to them quickly and efficiently, especially with the new process • Spokesperson – May need to represent the company to other stakeholders • Entrepreneur – may need to innovate the processes of production further • Disturbance Handler – New process may lead to conflict with the 70 workers, 8 supervisors and worker representatives. • Resource Allocator – Inventory management of the warehouse • Negotiator – May need to negotiate with customers (businesses) as well as the workforce Evaluation may include: • Manager has authority and status so interpersonal skills necessary to earn respect • Managers have to communicate to various stakeholders so important to have informational ability • Managers have to make decisions, adapt to situations, allocate resources • Managers ensure operations run efficiently BU can use this in recruitment, job description and interviews to ensure it employs someone who will have the correct impact on the business ARA	