Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Business Concepts 1 **May/June 2023**

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.

Cambridge International is publishing the mark schemes for the May/June 2023 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

© UCLES 2023

PUBLISHED

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.

© UCLES 2023

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.

© UCLES 2023

PUBLISHED

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).

© UCLES 2023

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer.
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

© UCLES 2023

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:
- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

© UCLES 2023

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 there is specific application to the context of the question.
AN	Indicates where the answer has demonstrated analysis.
EVAL	Indicates where the answer has demonstrated evaluation.
REP	This indicates where content has been repeated.
SEEN	Indicates that content has been recognised but not rewarded.
L1, L2, L3	Indicates where the answer reaches the required standard.
1, 2, 3, 4, 5, 6	Indicates the number of K, APP, AN and EVAL marks awarded.

© UCLES 2023

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

Define the term 'social enterprise'.

<table>
<tr><th>AO1 Knowledge and understanding</th><th>Marks</th></tr>
<tr><td>Knowledge of the term that demonstrates a clear understanding of the term.</td><td>2</td></tr>
<tr><td>Knowledge of the term that demonstrates a partial understanding of the term.</td><td>1</td></tr>
<tr><td>No creditable response.</td><td>0</td></tr>
</table>

Indicative content

Responses may include:

AO1 Knowledge and understanding

- A business with mainly social objectives that reinvests most of its profits into benefitting society rather than maximising returns to owners. *Clear understanding (2 marks)* × 2
- A business with primarily social objectives/triple bottom line. *Partial understanding (1 mark)* × 1

Accept all valid responses.

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

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

Explain <u>one</u> weakness of family businesses.

<table>
<tr><th>AO1 Knowledge and understanding
1 mark</th><th>AO2 Application
2 marks</th></tr>
<tr><td></td><td>2 marks
Developed application of one relevant point to a business context.</td></tr>
<tr><td>1 mark
Knowledge of one relevant point is used to answer the question.</td><td>1 mark
Limited application of one relevant point to a business context.</td></tr>
<tr><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

Indicative content

Responses may include:

AO1 Knowledge and understanding
- Lack of skills or experience
- Conflict between family members
- Favouritism
- Lack of family interest from younger family members
- Lack of continuity
- Lack of finance

- *One weakness of a family business is likely to be the lack of managerial expertise – other factors could include conflict, favouritism, continuity. (1 mark)* ✗ *1.*

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

Question	Answer	Marks
1(b)	**AO2 Application** • Family members appointed to roles they do not have the skills or experience for – gaps in needed business skills. • Conflict can arise between family members – due to personality clashes. • Favouritism where the best person isn't always appointed to a job – which can cause resentment from non-family employees. • Difficulty in deciding who will take over the business in the long term – causing the business to not have a clear direction. • Lack of family interest from younger family members – which threatens the long-term future of the business remaining within the family. • *Developed application of one weakness – family members do not have the appropriate skills to run a business, appointed for family reasons, level of expertise – gaps in needed business skills. (2 marks).* ✓✓ × 2 • *Limited application of one weakness – family members do not have the appropriate skills to run a business, appointed for family reasons. (1 mark).* ✓ × 1 Accept all valid responses.	

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

Define the term 'dismissal'.

<table>
<tr><th>AO1 Knowledge and understanding</th><th></th></tr>
<tr><td>Knowledge of the term that demonstrates a clear understanding of the term.</td><td>2</td></tr>
<tr><td>Knowledge of the term that demonstrates a partial understanding of the term.</td><td>1</td></tr>
<tr><td>No creditable response.</td><td>0</td></tr>
</table>

Indicative content

Responses may include:

AO1 Knowledge and understanding

- Being dismissed/sacked/fired from a job due to incompetence/misconduct/breach of discipline. *(Clear definition – 2 marks × 2)*
- Dismissal occurs when an employer is sacked from a job. *(Partial definition – 1 mark × 1)*

Accept all valid responses.

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

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

Explain how <u>one</u> human need may be satisfied at work.

<table>
<tr><th>AO1 Knowledge and understanding
1 mark</th><th>AO2 Application
2 marks</th></tr>
<tr><td></td><td>2 marks
Developed application of one relevant point to a business context.</td></tr>
<tr><td>1 mark
Knowledge of one relevant point is used to answer the question.</td><td>1 mark
Limited application of one relevant point to a business context.</td></tr>
<tr><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

Indicative content

Responses may include:

AO1 Knowledge and understanding

- A human need is a basic requirement that an individual wishes to satisfy at work. Physical needs may include food, clothing and shelter. Individual needs include desires for knowledge, recognition and self-esteem, confidence, approval, self-worth.
- Improved working conditions
- High wages
- Shorter hours
- Promotion
- Teamwork
- Recognition
- Health and safety

- *Giving shorter working hours. (1 mark)*

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

Question	Answer	Marks
2(b)	**AO2 Application** • Physical needs are satisfied by income from employment – that is sufficient to meet essential needs. • Physical needs can also be satisfied by having access to vital services in the workplace – these could be toilet and canteen facilities and a comfortable working environment. • Safety needs are satisfied by a contract of employment – which ensures some degree of job security. • Safety needs can also be satisfied by a structured organisation – that gives clear lines of authority to reduce uncertainty. • Ensuring health and safety conditions are met – to reduce fear of injury at work. • Social needs are satisfied by working in teams or groups – which ensure good communication that will make the workers feel involved. • Esteem needs are satisfied by recognition for work well done – employee of the month – which can boost esteem. • Status at work, advancement and responsibility – can enable an employee to gain the respect of others. • Self-actualisation via challenging work that stretches the individual – which can give an employee a sense of achievement. • The opportunities to develop and employ new skills – which can increase an employee's potential. • *Developed application – the need for esteem is satisfied when employees receive recognition for work in the form of promotion or given a bonus or award such as employee of the month. (2 marks × 2)* • *Limited application – the need for esteem is satisfied when employees receive recognition. (1 mark × 1)* Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term 'mass marketing'.** **AO1 Knowledge and understanding** Knowledge of the term that demonstrates a clear understanding of the term. **2** Knowledge of the term that demonstrates a partial understanding of the term. **1** No creditable response. **0** **Indicative content** Responses may include: **AO1 Knowledge and understanding** • Selling/targeting the whole/majority of the market. *Clear understanding (2 marks)* × 2 • Selling the same/standardised product or selling to a large group of people. Partial understanding (1 mark). × 1 Accept all valid responses.	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(b)</td><td>

Explain <u>one</u> advantage to a business of segmenting its market.

<table>
<tr><th>AO1 Knowledge and understanding
1 mark</th><th>AO2 Application
2 marks</th></tr>
<tr><td></td><td>2 marks
Developed application of one relevant point to a business context.</td></tr>
<tr><td>1 mark
Knowledge of one relevant point is used to answer the question.</td><td>1 mark
Limited application of one relevant point to a business context.</td></tr>
<tr><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

Indicative content

Responses may include:

AO1 Knowledge and understanding

- Reduces risk
- Focused on customer
- More efficient use of resources
- Allows small businesses to enter a market
- Allows price discrimination
- Identify a gap in the market

- *One advantage to a business in segmenting a market is that it is more focused on the customer. (1 mark)*

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

Question	Answer	Marks
3(b)	**AO2 Application** • Allows a business to focus on and attract the 'right' customer – may give an initial commercial advantage. • Reduces risk in deciding what to produce and where to supply – hence minimises waste. • Efficient use of resources – targeting groups prevents waste by selling to only interested customers. • Allows small businesses to enter a market and focus on limited target groups – therefore developing a foothold in a specific segment. • Allows price discrimination in different segments – hence maximising sales revenue. • *Developed application – a business with a focus on customers with similar characteristics means the business can focus its market research and advertising on a specific group. (2 marks × 2)* • *Limited application – focus on customers with similar characteristics means the business can focus its marketing. (1 mark × 1)* Accept all valid responses.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4</td><td>

Analyse <u>one</u> reason why labour productivity is important to a business.

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
1 mark</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
2 marks</th></tr>
<tr><td>2</td><td></td><td>2 marks
Developed application of one relevant point to a business context.</td><td>2 marks
Developed analysis that identifies connections between causes, impacts and/or consequences of one relevant point.</td></tr>
<tr><td>1</td><td>1 mark
Knowledge of one relevant point is used to answer the question.</td><td>1 mark
Limited application of one relevant point to a business context.</td><td>1 mark
Limited analysis that identifies connections between causes, impacts and/or consequences of one relevant point.</td></tr>
<tr><td>0</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

Indicative content

Responses may include:

AO1 Knowledge and understanding
- Increased output
- Increased competitiveness
- Lower operational costs

- *Labour productivity may increase output. (1 mark × 1)*

</td><td>5</td></tr>
</table>

Question	Answer	Marks
4	**AO2 Application** • Increased output – as workers producing goods quicker • Lower operational costs – of day-to-day operations – charge lower prices • Improved customer service – customer satisfaction/happier customer • Improved staff morale – staff are generally happier – fewer staff leave • Reduced waste/environmental impact • *Developed application –enables a business to set lower prices – attract more customers. (2 marks × 2)* • *Limited application – enables a business to set lower prices (1 mark × 1)* **AO3 Analysis** • Labour productivity can lead to increased profitability – when it becomes less expensive to produce goods and services. • Lowering operational costs – due to more products being produced in less time either by more efficient staff or an investment in machinery. • Ability to charge a lower price than competitors or deliver your service more quickly – which give the business a competitive advantage – increased sales and revenue. • Enables a business to optimise its resources – which can reduce costs and increase efficiency – greater profit margin. • Improved customer service when customers are given more time and attention – therefore customer loyalty • Improved productivity can lead to business growth – which can encourage further investment. • Reduced waste and environmental impact – which could save costs but also have a positive effect on the business image. • Improved staff morale when they know how to do a job more efficiently and feel more in control – hence lower staff turnover/absenteeism – lower recruitment costs. • *Developed analysis – Ability to charge a lower price than competitors or deliver your service more quickly – which gives the business a competitive advantage – increased sales and revenue. (2 marks × 2)* • *Limited analysis – Ability to charge a lower price than competitors or deliver your service more quickly – which gives the business a competitive advantage. (1 mark × 1)* Accept all valid responses.	

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

Analyse <u>two</u> purposes of a cash flow forecast for a business.

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
2 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
4 marks</th></tr>
<tr><td>2</td><td></td><td></td><td>3–4 marks
Developed analysis
• Developed analysis that identifies connections between causes, impacts and/or consequences of two points.
• Developed analysis that identifies connections between causes, impacts and/or consequences of one point.</td></tr>
<tr><td>1</td><td>1–2 marks
• Knowledge of two relevant points is used to answer the question.
• Knowledge of one relevant point is used to answer the question.</td><td>1–2 marks
• Application of two relevant points to a business context.
• Application of one relevant point to a business context.</td><td>1–2 marks
Limited analysis
• Limited analysis that identifies connections between causes, impacts and/or consequences of two points.
• Limited analysis that identifies connections between causes, impacts and/or consequences of one point.</td></tr>
<tr><td>0</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

2 marks for
2 marks for
4 marks for

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

Question	Answer	Marks
5	**Indicative content** Responses may include: **AO1 Knowledge and understanding** • Identify future levels of cash inflow/outflow • Know when to apply for an overdraft • Monitor amount owed by debtors • Monitor how much they owe suppliers • *A CFF provides a business with an understanding of potential future levels of cash (1 mark × 1)* • *Forecasts periods when it needs to apply for an overdraft/loan. (1 mark × 1)* **AO2 Application** • Helps identify potential shortfalls in cash balances • Helps identify estimated future sales • Enables the business to make sure it can pay suppliers and workers • Allows business to monitor debtors – and if they need to change repayment periods • Can plan when they may require an overdraft – so can arrange this with the bank • *CFF provides information relating to periods when there may not be enough cash to meet day-to-day expenses. (1 mark × 1)* • *CFF provides information relating to future periods when there might be a surplus level of cash in the business. (1 mark × 1)* **AO3 Analysis** • Enables businesses to make decisions now in anticipation of future problems – to prevent insolvency. • Arrange bank overdraft to prevent liquidity problems – therefore able to pay wages/suppliers/rent. • Avoids potential problems that might arise if suppliers and workers are not paid on time – such as suppliers refusing to offer further credit or workers going on strike or leaving. • Can spot problems with overdue customer payments and take action to receive payments. • To see if the business is meeting its financial objectives – therefore keeping shareholders satisfied. • Might decide to offer discounts for early payments – which improves cash inflow. • Might decide to lease equipment instead of buying it – so outflows can be spread out across the year.	

© UCLES 2023

Question	Answer	Marks
5	• Might make decisions to increase prices or cut costs – to remain competitive. • Reduce the amount of cash tied up in stock – which reduces opportunity cost. • Delay payments to suppliers – when cash inflows are low – which reduces cash outflows to improve liquidity. • Delay expansion plans – to prevent short-term overspending. **There are 4 marks for Analysis in this question. Possible 2 analysis marks for an identified and applied first benefit and 2 marks for 2 possible analysis marks for an identified and applied second benefit. The examples below indicate how the 2 analysis marks should be allocated to each benefit.** **Purpose 1** – assuming that this purpose is '*A CFF helps the business identify future levels of cash inflow*' *(1 mark .)* The application might be *'as there may be insufficient cash to meet day to day needs without arranging an overdraft.* *(1 mark × 1)* Then the 2 analysis marks should be allocated in the following way: If the analysis of this purpose is developed analysis, e.g. – '*This may mean a business has time to arrange a suitable bank overdraft to prevent liquidity problems, and as a result the business will be able to pay supplies, wages, electricity etc.*'. then 2 analysis marks should be awarded. If the analysis of this benefit is limited analysis, – '*This may mean a business has time to arrange a bank* overdraft to prevent liquidity problems.*'* then 1 analysis mark should be awarded. **Purpose 2** – assuming that this purpose is *'Allows business to monitor amount owed by debtors*.' . The application might be*, 'and whether they need to change the repayment period.'* . Then the 2 analysis marks should be allocated in the following way: If the analysis of this benefit is developed analysis, – *''This gives the business time to contact debtors to see when they will be paid,' 'so that they have sufficient cash inflow to pay suppliers, wages and other bills.'* then 2 analysis marks should be awarded. If the analysis of this benefit is limited analysis, – *'This gives the business time to contact debtors to see when they will be paid.'* then 1 analysis mark should be awarded. Accept all valid responses.	

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

Evaluate whether break-even analysis is the most important finance activity for a new manufacturer of bicycles.

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
2 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
2 marks</th><th>AO4 Evaluation
6 marks</th></tr>
<tr><td>3</td><td></td><td></td><td></td><td>5–6 marks
Developed evaluation in context
• A developed judgement/conclusion is made in the business context.
• Developed evaluative comments which balance some key arguments in the business context.</td></tr>
<tr><td>2</td><td>2 marks
Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>2 marks
Developed application of relevant point(s) to the business context.</td><td>2 marks
Developed analysis that identifies connections between causes, impacts and/or consequences.</td><td>3–4 marks
Developed evaluation
• A developed judgement/conclusion is made.
• Developed evaluative comments which balance some key arguments.</td></tr>
</table>

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

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

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
2 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
2 marks</th><th>AO4 Evaluation
6 marks</th></tr>
<tr><td>1</td><td>1 mark
Limited knowledge
of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>1 mark
Limited application
of relevant point(s) to the business context.</td><td>1 mark
Limited analysis
that identifies connections between causes, impacts and/or consequences.</td><td>1–2 marks
Limited evaluation
• A judgement/ conclusion is made with limited supporting comment/ evidence.
• An attempt is made to balance the arguments.</td></tr>
<tr><td>0</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

2 marks for
2 marks for
2 marks for
6 marks for

Indicative content

Responses may include:

AO1 Knowledge and understanding

- Break-even analysis determines the number of units and amount of revenue that is needed to cover a business's total costs.
- Knowledge of any other finance activity e.g. cash flow forecast

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

Question	Answer	Marks
5(b)	• *Developed knowledge – break-even analysis shows a business how many products need to be made and sold before a profit can be made. (2 marks × 2)* • *Limited knowledge – break-even analysis shows whether a business is making a profit or a loss. (1 mark × 1)* **AO2 Application** • Allows the bicycle manufacturer to classify the different costs of making a bike – purchase of carbon/aluminium, tyres, components, chain, cables, etc. • Enables potential revenues to be calculated from bicycle sales to retailers. • May need to purchase machinery that can turn carbon/aluminium into bike frames. • *Developed application – break-even analysis calculates the point at which potential revenues from mountain bike sales covers the variable costs e.g. tyres, cables, plus the fixed costs e.g. rent of factory. (2 marks × 2)* • *Limited application – break-even analysis calculates the point at which potential revenues from mountain bike sales covers the total costs of making them. (1 mark × 1)* **AO3 Analysis** • The technique can be used to help increase the chances of success for a new product – ensuring the new business gets off to the best possible start. • Can provide information, such as is it worth going ahead with this new product – which could prevent significant losses. • As an essential part of a business plan – which the new business could use to gain investment. • Variable costs can change regularly – so the break-even analysis will not be accurate. • Management can look at the profit generated at different levels of sales – which can help with future financial planning. • Find out sales levels to reach target profit – so can plan marketing budgets/materials needed. • Enables management to look at impact of changes in selling price and costs – which enables budgets to be set. • *Developed analysis – break-even analysis provides information relating to potential levels of sales, revenues and profits, which will determine the profitability of the business – without break-even analysis a new manufacturer could well overestimate the potential profitability of a venture and suffer significant losses. (2 marks × 2)* • *Limited analysis – break-even analysis provides information relating to potential levels of sales, revenues and profits, which will determine the profitability of the business. (1 mark × 1)*	

Question	Answer	Marks
5(b)	**AO4 Evaluation** ***Eval 6 –*** *developed judgement/conclusion is made in context (new manufacturer of bicycles) (6 marks)* ***Eval 5 –*** *developed evaluative comments given in context (new manufacturer of bicycles) (5 marks)* ***Eval 4 –*** *developed judgement/conclusion is made, not in the context of a new manufacturer of bicycles. (4 marks)* ***Eval 3 –*** *developed evaluative comments made, not in the context of a new manufacturer of bicycles. (3 marks)* ***Eval 2 –*** *judgement/conclusion is made but with little supporting evidence, again not in context. (2 marks)* ***Eval 1 –*** *an attempt is made to balance arguments. (1 marks)* ***Eval 0 –*** *no evaluation is attempted. (0 marks)* • A judgement/conclusion is made as to the importance of break-even analysis or any other finance activity for the success of a new bicycle manufacturer. • Such judgements/conclusions may be made at any point in the essay, not only in a concluding section. • A conclusion about what the new bicycle manufacturer hopes to achieve in the long and short term. • A conclusion as to what they hope to achieve once they are breaking even and how it can impact on future business plans. • A judgement that break-even analysis assumes that costs and revenues are always represented by straight lines is unrealistic and therefore cannot be relied upon to provide accurate information. • A conclusion that it does not predict demand so break-even analysis can often be more ambitious than initially thought. • A judgement that the strategies and performance of competitors are not factored into the equation. • A judgement about the environment in which the manufacturer exists and that it is subject to factors beyond its control e.g. economic downturn or worldwide pandemic. • A conclusion that break-even analysis should be seen as a planning aid rather than a decision-making tool. • A judgement that other finance activities are more important, as cash flow forecasts can prevent the business becoming illiquid. Accept all valid responses.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td>

Analyse <u>two</u> benefits to a business of using external recruitment to employ a manager.

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
2 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
4 marks</th></tr>
<tr><td>2</td><td></td><td></td><td>3–4 marks
Developed analysis
• Developed analysis that identifies connections between causes, impacts and/or consequences of two points.
• Developed analysis that identifies connections between causes, impacts and/or consequences of one point.</td></tr>
<tr><td>1</td><td>1–2 marks
• Knowledge of two relevant points is used to answer the question.
• Knowledge of one relevant point is used to answer the question.</td><td>1–2 marks
• Application of two relevant points to a business context.
• Application of one relevant point to a business context.</td><td>1–2 marks
Limited analysis
• Limited analysis that identifies connections between causes, impacts and/or consequences of two points.
• Limited analysis that identifies connections between causes, impacts and/or consequences of one point.</td></tr>
<tr><td>0</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

2 marks for
2 marks for
4 marks for

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

Question	Answer	Marks
6(a)	**Indicative content** Responses may include: **AO1 Knowledge and understanding** • Bring new ideas • Broader choice of candidates • Standards of applicants may be higher • Able to access a large talent pool • Gain a more diverse workforce • A wider range of skills and experience • *A benefit of external recruitment of a manager may be the opportunity to recruit from a large talent pool (1 mark × 1).* • *A benefit of external recruitment of a manager is that it may offer the business* a wider range of skills and experience. *(1 mark × 1)* **AO2 Application** • External applicants will bring new ideas – as they may have worked in different environments. • A broader choice of candidates – compared to the limited amount if you only recruit internally. • Standards of applicants may be higher – as you may recruit via specialist recruitment agencies. • Able to access a large talent pool – due to the number of candidates who you might potentially reach. • Gain a more diverse workforce – as you are searching a broader pool of candidates. • A wider range of skills and experience – as candidates may have worked in different environments possibly even abroad. • *External recruitment may allow a business to gain a more diverse workforce as they are searching a broader pool of candidates. (1 mark × 1)* • *Standards of applicants may be higher as they may recruit via specialist recruitment agencies. (1 mark × 1)*	

© UCLES 2023

Question	Answer	Marks
6(a)	**AO3 Analysis** • Getting the right candidate could ensure future business success – as new ideas may lead to the business becoming market leader. • Could inspire workers to be more productive and efficient – which could give the business a competitive edge or reduce costs. • New ideas could help grow the business, give the business a competitive edge – which could lead to higher sales revenue or market share. • An externally recruited manager could have wider range of skills and experience – leading to increased market share and profits. • Stops the business doing what it's always done and gain a fresh approach to problems – which could enable it to become more innovative in the market. **There are 4 marks for Analysis in this question. Possible 2 analysis marks for an identified and applied first benefit and 2 marks for 2 possible analysis marks for an identified and applied second benefit. The examples below indicate how the 2 analysis marks should be allocated to each benefit.** **Benefit 1** – assuming that this benefit is *'broader choice of candidates*.' The application might be *'compared to the limited amount if you only recruit internally*.' Then the 2 analysis marks should be allocated in the following way: If the analysis of this benefit is developed analysis, eg – *'have wider range of skills and experience,' which may lead to the business increasing its market share and likely increasing its level of profitability.'*. then 2 analysis marks should be awarded. If the analysis of this benefit is limited analysis, – '*have wider range of skills and experience.'* then 1 analysis mark should be awarded. **Benefit 2** – assuming that this benefit is 'The business might gain a more diverse workforce. The application might be *'which enables a variety of different perspectives,'*. Then the 2 analysis marks should be allocated in the following way: If the analysis of this benefit is developed analysis, – *'many businesses strive for a diverse workforce as it promotes inclusion and can give the business a competitive advantage,' 'and this could help attract the best candidates in future which could lead to innovation and greater sales.'* then 2 analysis marks should be awarded. If the analysis of this benefit is limited analysis, – *'a more diverse workforce brings more ideas which could give the business an advantage over its competitors,'* then 1 analysis mark should be awarded. Accept all valid responses.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(b)</td><td>

'A motivated workforce is the most important factor for the success of a low price airline.'
Evaluate this view.

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
2 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
2 marks</th><th>AO4 Evaluation
6 marks</th></tr>
<tr><td>3</td><td></td><td></td><td></td><td>5–6 marks
Developed evaluation in context
• A developed judgement/conclusion is made in the business context.
• Developed evaluative comments which balance some key arguments in the business context.</td></tr>
<tr><td>2</td><td>2 marks
Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>2 marks
Developed application of relevant point(s) to the business context.</td><td>2 marks
Developed analysis that identifies connections between causes, impacts and/or consequences.</td><td>3–4 marks
Developed evaluation
• A developed judgement/conclusion is made.
• Developed evaluative comments which balance some key arguments.</td></tr>
</table>

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(b)</td><td>

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
2 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
2 marks</th><th>AO4 Evaluation
6 marks</th></tr>
<tr><td>1</td><td>1 mark
Limited knowledge
of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>1 mark
Limited application
of relevant point(s) to the business context.</td><td>1 mark
Limited analysis
that identifies connections between causes, impacts and/or consequences.</td><td>1–2 marks
Limited evaluation
• A judgement/ conclusion is made with limited supporting comment/ evidence.
• An attempt is made to balance the arguments.</td></tr>
<tr><td>0</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

2 marks for
2 marks for
2 marks for
6 marks for

Indicative content

Responses may include:

AO1 Knowledge and understanding
- Motivation is about the factors that encourage individuals to be committed and interested in their job.
- Motivation is the internal and external factors that stimulate people to take actions that lead to achieving a goal.
- Business success can be measured in a number of ways – maximising shareholder returns, market share, profits, goodwill created, labour turnover, liquidity, sales growth, stakeholder engagement.

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

Question	Answer	Marks
6(b)	• *Developed knowledge – a motivated workforce is important for a business which aims for high levels of customer satisfaction provided by committed employees. (2 marks × 2)* • *Limited knowledge – another factor for business success is financial stability. (1 mark × 1)* **AO2 Application** • Customer service agents and cabin crew deal directly with customers – therefore need to have a professional and friendly attitude. • Motivated staff can better handle difficult passengers – if, for example, flights are delayed. • Pilots need to be motivated to handle pressure – as they are responsible for potentially hundreds of passengers. • Staff often get large discounts on flights as a fringe benefit – which means cheap holidays or city breaks. • Demotivated baggage handlers may damage luggage when loading and unloading airplanes. • *Developed application – a successful business model for a low price airline will include a motivated workforce which makes travel fun and exciting to complement the aim of providing safe and punctual journeys. (2 marks × 2)* • *Limited application – a successful business model for a low price airline will include a motivated workforce which makes travel fun and exciting. (1 mark × 1)* **AO3 Analysis** • Motivated staff can have a direct impact on productivity and business efficiency – which might reduce business costs. • Potentially lower labour turnover and absenteeism if staff are motivated in their jobs – which reduces the costs of recruitment. • Employees are more likely to accept responsibility and take an active role in the workplace – which may lead to improved business practices and a better customer experience. • Demotivated staff may be rude or not deal very well with customers– which might lead to customers leaving bad reviews and not using the business again in the future. • Improved industrial relations with trade unions – therefore less chance of industrial action and disgruntled employees. • *Developed analysis – a motivated workforce is likely to engage more directly with customers and provide excellent customer service which encourages customer loyalty therefore they will continue to use this business rather than a competitor. (2 marks × 2)* • *Limited analysis – a motivated workforce is likely to engage more directly with customers and provides excellent customer service which encourages customer loyalty. (1 mark × 1)*	

Question	Answer	Marks
6(b)	**AO4 Evaluation** ***Eval 6 –*** *developed judgement/conclusion is made in context (*low price airline*) (6 marks)* ***Eval 5 –*** *developed evaluative comments given in context (*low price airline*) (5 marks)* ***Eval 4 –*** *developed judgement/conclusion is made, not in the context of a* low price airline*. (4 marks)* ***Eval 3 –*** *developed evaluative comments made, not in the context of a* low price airline*. (3 marks)* ***Eval 2 –*** *judgement/conclusion is made but with little supporting evidence, again not in context. (2 marks)* ***Eval 1 –*** *an attempt is made to balance arguments. (1 marks)* ***Eval 0 –*** *no evaluation is attempted. (0 marks)* • It can be concluded that what motivates one employee might be different to another employee. One person might be only motivated by money whereas another person seeks promotion or a more stimulating challenge. • It might be concluded that highly motivated staff might be powerless to prevent angry passengers using a different airline if flights are constantly late or unreliable. • A judgement as to the reasons why the airline is competitive. For example, do they offer similar prices and destinations to competitors? Is the booking system reliable? Do people use the airline because of the customer service? • A judgement as to how important the customer experience is when customer's main reason for using the airline is its cheap prices. • It might be concluded that other elements are more important such as if the airline has been marketed effectively. • It might be concluded that the business does not have a reliable fleet of airplanes which leads to cancelled flights- something motivated staff may have no control over. • It might be concluded that business success can be subject to external conditions. The worldwide pandemic has had a major impact on the airline industry. Accept all valid responses.	