CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/41**

Paper 4 Business Strategy **May/June 2025**

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 2025 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 descriptions 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.

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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).

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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.

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Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	For objective points that are correct.
	For objective points that are wrong.
 and TV	When the candidate has attempted something, but the mark/skill has not been awarded.
Highlighter	To highlight a point or section of an answer that justifies the mark/annotation.
BOD	When the candidate has attempted something, and the mark/skill has been awarded.
NUT	When the context has not been used.
SEEN	To show a page/section has been seen/read.
NAQ	When the response is not focussed on answering the question.
REP	The repetition of a previous point in a response **or** candidate is copying the case study/data.

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Annotation	Meaning
OFR	The own figure rule applies – acts as a mark/tick.
K	When limited knowledge (AO1) has been awarded.
DEV	When developed knowledge (AO1) has been awarded.
APP	When AO2 has been awarded. Number of APPs should match the mark awarded.
A1	When AO3 at Level 1 has been awarded.
A2	When AO3 at Level 2 has been awarded.
A3	When AO3 at Level 3 has been awarded.
N1	When AO4 at Level 1 has been awarded.
N2	When AO4 at Level 2 has been awarded.
N3	When AO4 at Level 3 has been awarded.

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Guidance on using levels-based marking

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.

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PREPARATION FOR MARKING

1 Make sure that you have completed the relevant training and have access to the *RM Assessor Guide*.
2 Make sure that you have read and understand the question paper, which you can download from https://support.rm.com/ca
3 Log in to RM Assessor then mark and submit the required number of practice and standardisation scripts. You will need to mark the standardisation scripts to the required accuracy in order to be approved for marking live scripts. You may be asked to re-mark them, or to mark a second sample, if you do not meet the required accuracy on your first attempt.

MARKING PROCESS

1 Mark strictly to the FINAL mark scheme, applying the criteria consistently and the general marking principles outlined on the previous page.
2 If you are in doubt about applying the mark scheme, consult your Team Leader.
3 Mark at a steady rate through the marking period. Do not rush, and do not leave too much until the end. If you anticipate a problem in meeting the deadline, contact your Team Leader immediately and the Examiners' Helpdesk.
4 Examiners will prepare a brief report on the performance of candidates to send to their Team Leader via email by the end of the marking period. The Examiner should note strengths seen in answers and common errors or weaknesses. Constructive comments on the question paper, mark scheme or procedures are also appreciated.

MARKING SPECIFICS

Crossed out work

1 **All of a candidate's answers, *crossed out* or not, *optional* or not, must be marked.**
2 The only response not to be marked is one that has been crossed out and replaced by another response for that exact same question.
3 Consequently, if a candidate has crossed out their response to an optional question and gone on to answer a different optional question then both attempts must be marked. The higher mark will be awarded by the system according to the rubric.

0 (zero) marks or NR (no response)

1 Award **NR** if there is nothing at all written in answer to that question (often the case for optional questions).
2 Award **NR** if there is a comment which is not an attempt at the question (e.g. 'can't do it' or 'don't know' etc.)
3 Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
4 Award **0** (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.

Annotation

1. Every question must have at least one annotation e.g. <NAQ> if it is an NR and <X> or <seen> if 0 marks are awarded.

Every page of a script must have at least one annotation e.g. <BP> for a blank page

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Please refer to this grid when marking both questions:

Level	AO1 Knowledge and understanding 3 marks	AO2 Application 2 marks	AO3 Analysis 8 marks	AO4 Evaluation 7 marks
	Description	**Description**	**Description**	**Description**
3			**7–8 marks** **Developed analysis of the overall strategy** that identifies connections between causes, impacts and/or consequences.	**6–7 marks** **Effective evaluation** A developed judgement/conclusion is made in the business context that draws together developed evaluative comments which balance some key arguments in the business context.
2	**2–3 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**4–6 marks** **Developed analysis of individual strategic element(s)** that identifies connections between causes, impacts and/or consequences.	**3–5 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1–3 marks** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

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Question	Answer	Marks
1	**Evaluate the impact of Chelsea's HR strategy on RR's performance between 2021 and 2024.** Responses may include: **AO1 Knowledge and understanding** Knowledge K (max 3 marks) can be awarded for any relevant business knowledge about HR Strategy: • Definition of HR Strategy (achieving business objectives is also accepted) • Example – HR strategy is a plan to improve efficiency through the management of employees • Definition of HRM • Approaches to human resource management • The difference between 'hard' and 'soft' HRM • Flexible working contracts: temporary contracts or flexible contracts including zero hours contracts, part-time, full-time, annualised hours, flexi-time, home working, shift working, job sharing, compressed working hours, the gig economy • The measurement, causes and consequences of poor employee performance • Strategies for improving employee performance • Definition of labour turnover • Management by Objectives (MBO) – implementation and usefulness • The changing role of Information Technology (IT) and Artificial Intelligence (AI) in HRM • Motivational theories • Human resource management • Training and development • Motivation • Management • Organisational structure • Communication • Leadership **No other AO2, AO3 OR AO4 marks can be awarded without AO1.**	**20**

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Question	Answer	Marks
1	**AO2 Application** Indicated by APP as 1 mark (max 2 APPs), ***Application must support an assessment objective to be in context.*** Application APP can be awarded for use of RR's context, including any elements of RR's human resource strategy between 2021 and 2024: • RR was a highly profitable restaurant • Established in 1980 (over 40 years ago) by sole trader, Riki • Reputation for tasty food, reasonable prices and outstanding customer service • Chelsea took over business as a sole trader on 1st January 2021 • Chelsea graduated with a business management degree • Aimed to increase profitability by at least 30% by the end of 2025 • Human resource strategy to increase efficiency • Human resource strategy aims to reduce labour cost, the highest cost of the business • Five employees made redundant (two chefs and three customer service employees) • Increased labour turnover • Reduced customer satisfaction • Annual sales revenue is 50% lower than 2021 • Loss of $52 500 in 2023. First loss for RR. • Chelsea converts business to a partnership in 2024 with Mario. Equal ownership. • Mario is a successful chef with lots of ideas to improve performance • Customer satisfaction reducing. In 2024 customer satisfaction recovered.	

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Question	Answer	Marks
1	**AO3 Analysis** Analysis of the impact of the HR strategy on a business (A1 and A2 and A3) including: Limited analysis A1 – candidate shows one link in the chain of analysis (max 3). Developed analysis of individual strategic element A2 – candidate shows two or more links in the chain of analysis. Developed analysis of overall strategy A3 – candidate shows a counter answer to the chain of analysis (2-sided answer). • Staff discount reduced which could cause dissatisfaction, but it may vary across the employees depending upon how much they purchased food from the restaurant – some may not be impacted. • Opportunity to earn individual bonuses which could motivate employees, especially if financially motivated. • Multiskilling leading to greater job variety. Some employees may like the variety and opportunity to learn new tasks/skills. However, others may worry about the increased breadth of job role and being able to cope. • Some training offered. The training may motivate employees. However, is the 'some training' sufficient? • Hard HRM – disciplinary action. • End of established staff team – link to Maslow and social needs. Could link to team building opportunities. • Move from permanent hours to zero hour contract. Lack of stability for employees. Only seven days' notice of weekly hours. • Hours to match demand and employee availability. Link to customer demand will increase efficiency and therefore the profitability objective. However, employee availability may support employees to achieve a better work-life balance. • Labour turnover increasing; however, it peaked in 2023. Maybe the employees who were unhappy have left and the new employees may have chosen to work for RR because of the flexibility, or it may be a blip before further increases. Still relatively high level of labour turnover in 2024. • Staff redundancies reduced job security. Employees left may be uncertain about the stability of their job role and worry that they will be made redundant in the future. Employee needs affected by redundancies (link to Maslow) – break down of personal work relationships/friendships, job security, position in hierarchy. • How were the changes communicated to employees by Chelsea?	

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Question	Answer	Marks
1	**AO4 Evaluation** L1 N1 limited supporting evidence – answering the question with a brief explanation. L2 N2 developed supporting evidence – reason is developed further. L3 N3 developed supporting evidence with context – Levels 1 and 2 are answered in context. Evaluation will largely depend on the points raised in the analysis. • A judgement on the impact of the human resource strategy between 2021 and 2024. • Discussion on how the impact of the human resource strategy can be evaluated and what that judgement could depend upon; link to Chelsea's profitability objective from 2021, the extent to which Chelsea was sufficiently experienced to manage the change, other measures of success for a sole trader (profitability, profit, sole trader's objectives, other stakeholder objectives, measures of size). • The extent to which the performance of RR between 2021 and 2024 was based on the human resource strategy or other actions taken by Chelsea/management of the change generally. Also impact of other functional areas, e.g. operational decisions, marketing decisions and/or financial decisions. • Other external influences on RR between 2021 and 2024 other than the human resource strategy (e.g. the state of the economy; economic growth), social factors (e.g. increasing remote working due to the pandemic, effect of the pandemic on the hospitality industry), technological factors (e.g. increased use of technological communication in 2020/2021 due to the pandemic). Accept all valid responses.	

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Question	Answer	Marks
2	**Advise Mario on the most appropriate approach he should use to develop a new business strategy to improve the performance of RR against its competitors.** Responses may include: **AO1 Knowledge and understanding** Knowledge K (max 3 marks) can be awarded for any relevant business knowledge on approaches to develop business strategy, including: • **Blue ocean strategy** – the aim to combine product differentiation with low-cost to develop new markets and demand. It is about finding uncontested markets to gain a competitive advantage. Comparison with red ocean strategy awardable. • **Scenario planning** – managers consider the main risks and uncertainties and adopt different strategies for different scenarios. Flexible approach. • Uncertainties that affect their business. • **SWOT analysis**: strengths, weaknesses, opportunities, threats. SWOT is very easy to construct so can be subjective. • **PEST analysis** – focuses on the macro environment including political, economic, social, and technological. • **Porter's five forces** – threats of substitutes, supplier power, threat of entry, buyer power, competitive rivalry. • **Core competence framework** – core competencies lead to the development of core products. Core products are not necessarily sold to final consumers. Instead, they are used to produce many end-user products. • **Ansoff matrix** – Market penetration, market development, diversification, product development. Different options open to a marketing manager when considering new opportunities for sales growth. It includes thinking of the market in which the business is going to operate and the product(s) it plans to sell. Business decides whether to remain in the existing market or to enter new ones along with whether to sell existing products or develop new ones. • **Force field analysis** – weighs up the potential advantages and disadvantages of a decision before a choice is made. It gives managers an insight that will allow them to strengthen the forces supporting a decision and reduce the forces that oppose it. • **Decision trees** – considers all of the options open to a manager, the different possible outcomes resulting from these options, the chances of these outcomes occurring, and the economic returns from these outcomes. Other knowledge marks may be awarded for: • The meaning and purpose of a business strategy; plan of action to achieve the vision and objectives of a business and upon which decisions are made. K For identifying an approach and DEV follows for the definition of the approach up to two DEV to gain the full 3 marks. **No further AO1, AO2, AO3 or AO4 without at least one K from the approaches above.**	**20**

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Question	Answer	Marks
2	**AO2 Application** APP Application APP (max 2 marks) can be awarded for **applying knowledge of approaches,** to RR: • RR was a highly profitable restaurant • Established in 1980 (over 40 years ago) by sole trader, Riki • Reputation for tasty food, reasonable prices and outstanding customer service • Riki retired in 2020 • Chelsea took over business as a sole trader on 1st January 2021 • Chelsea graduated with a business management degree • Aimed to increase profitability by at least 30% by the end of 2025 • Human resource strategy to increase efficiency • Human resource strategy aims to reduce labour cost, the highest cost of the business • Five employees made redundant (two chefs and three customer service employees) • Increased labour turnover • Reduced customer satisfaction • Annual sales revenue is 50% lower than 2021 • Loss of $52 500 in 2023. First loss for RR. • Chelsea converts business to a partnership in 2024 with Mario. Equal ownership. • Mario is a successful chef with lots of ideas to improve performance • Chelsea responsible for the operations and human resource functions. Mario leads the marketing and finance function.	

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Question	Answer	Marks
2	**AO3 Analysis** Analysis of the appropriateness of the different approaches to develop business strategy (A1 and A2 and A3) including: • PEST analysis will be appropriate to understand the external environment of each potential market. This could be especially useful to RR as it's a competitive market. Competitive market – 57 restaurants within a five-mile radius. Do they offer the same type of food and target the same customers as RR? Economic downturn. Under Riki RR developed a positive reputation for reasonable prices. Impact of this reputation in current economic climate. • Blue ocean strategy may allow RR to break into vegan food – opportunity to develop new menu options aimed at vegans which other successful local restaurants are introducing. However, does RR wish to differentiate from this trend if other local restaurants are developing in this way? • Scenario planning could allow RR to explore different possibilities in the markets he wants to develop, or menu options RR would like to add. • SWOT analysis to understand the internal strengths and weaknesses of the business. Use the strengths to overcome future threats and the opportunities to overcome present weaknesses. • Porter's five forces may help RR to develop an understanding of the forces in each potential market. It will require an investment in market research to understand the competitive nature of each market. 67% of market dominated by international fast-food companies – these competitors have large budgets and support from head office. They also benefit from economies of scale. However, does RR have any USP due to smaller size? Does RR offer the same type of food and target the same customers as these competitors? • Core competencies might work for the initial strategy of finding new markets and will help them with possibly tapping into the market aimed at vegans? • Ansoff matrix may be the most useful to analyse the risk of any new strategy. Does this really help RR to develop a strategy? Revenue reduced between 2021 and 2023 but started to increase in 2024. Is the increase in 2024 a random abnormality or the start of a recovery? • Force field analysis could help RR to understand the constraining and driving forces in developing a new strategy. This may help him to identify actions that need to be taken to reduce constraining forces. • Decision trees are unlikely to be helpful in developing a new strategy, but they could be used to help decide between alternative strategies. RR may find it difficult to obtain the data on probabilities and economic outcomes to construct a decision tree.	

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Question	Answer	Marks
2	**AO4 Evaluation** L1 N1 limited supporting evidence – answering the question with a brief explanation. L2 N2 developed supporting evidence – reason is developed further. L3 N3 developed supporting evidence with context – Levels 1 and 2 are answered in context. Evaluation will largely depend on the points raised in the analysis of the approaches needed to develop the new strategy. • Judgement as to the most appropriate approach to develop a new business strategy. • Discussion as to the impact of other external factors and competitor actions on the appropriateness. • What the judgement(s) may depend upon; the reactions of competitors, the dynamism of the external environment, the likely development of smart speaker technology beyond 2025, the reactions of customers to the failed launch of the QA2 etc. • Many of the approaches rely heavily on the accuracy of forecast data. • Advice to RR should make clear which approach is likely to be most appropriate and useful in this context. The question is clearly asking for **ONE** approach. • A discussion about whether Mario has sufficient experience/knowledge to develop the new business strategy. Accept all valid responses.	

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