Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/21**

Paper 2 Data Response **October/November 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.

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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 'buffer inventory' (line 18).

Knowledge	Marks
A correct definition	2
A partial, vague or unfocused definition	1
No creditable content	0

Indicative content

AO1 Knowledge and understanding

The (minimum) level of stocks/components/supplies – a business aims to hold to ensure orders can be met/point at which business re-orders.

A correct definition should include:
- *an understanding of inventory*
- *an understanding of buffer.*

Exemplar	Marks	Rationale
Minimum stock level	2	Both buffer and inventory defined
Minimum level of inventory	1	Inventory not defined

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

Question	Answer	Marks
1(a)(ii)	**Explain the term 'internal economies of scale' (line 3).** Award one mark for each point of explanation: **C** — Example or some other way of showing good understanding, i.e. can arise from bulk buying, technical/managerial efficiencies, etc. — 1 mark **B** — Understanding of internal economies of scale, e.g. Internal economies arise from the growth of the business — 1 mark **A** — Understanding of economies of scale (when unit/average costs fall as output rises) — 1 mark **Indicative content** **AO1 Knowledge and understanding** • Economies of scale occur when unit/average costs fall as output rises. • Internal economies arise from the growth of the business, e.g. technical economies. **AO2 Application** Application of an internal economy of scale to a business, such as: • An example of a type of internal economy of scale. • A description of an internal economy of scale that a business might benefit from.	**3**

Exemplar	Marks	Rationale
Average unit costs decrease (A) as a result of the increase in the scale of operations (B), e.g. purchasing economies (C)	3	A + B + C
Reduction in costs per unit (A) as a result of trading on a large scale, e.g. bulk buying (C)	2	A + C (growth of business not mentioned, so no B mark)
Fall in costs per unit (A)	1	A only

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)(i)</td><td>
Calculate QF’s profit margin for 2020.
<table>
<tr><th>Rationale</th><th>Marks</th></tr>
<tr><td>Correct answer with or without correct working</td><td>2</td></tr>
<tr><td>Formulae/attempt to calculate/calculation of profit</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>
Content
Gross profit – expenses, interest and tax = profit
$180m – $150m = $30m (1)
OR
Profit / Revenue × 100 = profit margin (1)

30 / 300 × 100

Profit margin = 10% Accept 10 (2)

Common incorrect answers
<table>
<tr><th>Exemplar</th><th>Marks</th><th>Rationale</th></tr>
<tr><td>10</td><td>2</td><td>Correct answer – % not needed</td></tr>
<tr><td>60</td><td>1</td><td>Gross profit (180/300) × 100 = 60%</td></tr>
<tr><td>30</td><td>1</td><td>Correct profit figure but not profit margin</td></tr>
<tr><td>Profit / Revenue × 100</td><td>1</td><td>Formula</td></tr>
<tr><td>30 / 300 × 100</td><td>1</td><td>Correct figures but calculation incomplete</td></tr>
</table>
</td><td>2</td></tr>
</table>

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

Explain <u>two</u> ways QF could increase its profit margin.

<table>
<tr><th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr>
<tr><td>2b (APP +APP)</td><td>Explanation of two factors which would increase the profit margin, in context</td><td>4</td></tr>
<tr><td>2a (APP)</td><td>Explanation of one factor which would increase the profit margin, in context</td><td>3</td></tr>
<tr><td>1 (K)</td><td>Identification of two factors affecting the profit margin</td><td>2</td></tr>
<tr><td>1 (K)</td><td>Identification of one factor affecting the profit margin</td><td>1</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Content
Increase quantity sold without a change in costs / price
Increase price whilst maintaining sales
Reduce costs without change in quantity sold / price

Indicative content

AO1 Knowledge and understanding

Ways of increasing the profit margin:
- to decrease costs
- to increase revenue
- increase/decrease price

AO2 Application

Application to QF, including:
- QF's costs – internal economies of scale achieved, so costs will reduce and improve profit margin/buy cheaper wood/decrease inventory holdings as high value, bulky so reduce overhead costs.
- QF's revenue – likely to increase due to 50% growth in cafes over last 5 years/may be difficult due to increased competition/could improve quality to reduce customer complaints and increase sales.
- Increased price difficult in competitive market/may be able to decrease price due to lower costs leading to increased revenue.

</td><td>**4**</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)(ii)</td><td>Example of how responses should be marked.

<table>
<tr><th>Identification of a way
(K – 2 marks)</th><th>Application
(APP – 2 marks)</th></tr>
<tr><td>Reduce cost of sales</td><td>by opting for cheaper timber</td></tr>
<tr><td>Increase revenue by increasing quality</td><td>of its tables and chairs</td></tr>
<tr><td>Increase revenue</td><td>from 2020 it earned $300m; they should boost this potentially by increasing the price</td></tr>
<tr><td>Decrease cost by buying raw materials from a cheaper supplier</td><td>by buying from a supplier in country S rather than country T</td></tr>
<tr><td>Reduce stock to decrease costs</td><td>buffer inventory is high value and bulky so can reduce overhead costs</td></tr>
</table>

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

Question	Answer	Marks
1(c)	**Analyse <u>two</u> disadvantages to QF of holding a high level of inventory.**	**8**

Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
2b	Shows understanding of two disadvantages of holding a high level of inventory	4	Good analysis of two disadvantages of holding a high level of inventory	4
2a	Shows understanding of one disadvantage of holding a high level of inventory	3	Good analysis of one disadvantage of holding a high level of inventory	3
1b	Shows knowledge of two disadvantages of holding a high level of inventory	2	Limited analysis of two disadvantages of holding a high level of inventory	2
1a	Shows knowledge of one disadvantage of holding a high level of inventory	1	Limited analysis of one disadvantage of holding a high level of inventory	1
0	No creditable content			

Indicative content

Purpose of inventory within a business (raw materials, work in progress, finished products).

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AO1 Knowledge and understanding

Knowledge of a disadvantage of holding a high level of inventory, including:

- cost
- security required
- waste/damage
- storage space could be utilised for other purposes

AO2 Application

- Number of cafes increased by more than 50% over last five years.
- QF has expanded.
- Growth of market has attracted new firms.
- Cost of sales = $120m (40% of revenue).
- 80% of materials from country T, long delivery lead time.
- High value, high level of buffer inventory.
- QF wants to reduce costs.
- Cost of storing may reduce ability to pay higher wages, so trained staff leaving.
- PLC – effect on shareholder value.

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

AO3 Analysis

Disadvantages may include:
- costs – high costs of holding stock leading to lower profits affecting shareholders as dividends lower, and may lower share price affecting shareholder value
- storage space – could be used elsewhere, e.g. expand manufacturing without needing new premises
- security – high value, worth stealing so will require good security measures and expensive insurance
- waste/damage – wood furniture, storing for a long period could dry out wood, make it susceptible to damage, e.g. leaks, also could go out of fashion and become obsolete
- more management required – ensure stock rotation to avoid any component remaining in store for a long period where it may be damaged/not fit for purpose

Examples of how an answer could develop and how it should be annotated.

<table>
<tr><th>K</th><th>APP</th><th>AN</th><th>DEV</th></tr>
<tr><td>High storage costs</td><td>opportunity cost as money could be used for motivating employees</td><td>extra outflow of cash to pay for fixed cost</td><td>this is a disadvantage as employees have complained about low pay, and employee dissatisfaction has reduced quality</td></tr>
<tr><td>Capital is tied up in stock which would have to be sold</td><td>such as paying for the training of new recruits to replace those who have left</td><td>reduces working capital</td><td>they may face difficulties paying day-to-day expenses and short term debts</td></tr>
</table>

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(d)</td><td>
Recommend how QF's management could improve the morale of its production employees. Justify your recommendation.
<table>
<tr><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Annotation</th><th>Analysis and Evaluation (7 marks)</th><th>Marks</th><th>Annotation</th></tr>
<tr><td></td><td></td><td></td><td>A justified recommendation based on a developed two-sided argument</td><td>7</td><td>EVAL + EVAL + EVAL</td></tr>
<tr><td></td><td></td><td></td><td>A developed recommendation based on a developed two-sided argument</td><td>6</td><td>EVAL + EVAL</td></tr>
<tr><td></td><td></td><td></td><td>A basic recommendation based on a developed two-sided argument</td><td>5</td><td>EVAL</td></tr>
<tr><td>Shows understanding of more than one method of improving morale in context</td><td rowspan="2">3–4</td><td>APP + APP</td><td>Developed analysis of more than one method of improving morale in context</td><td>4</td><td>DEV + DEV</td></tr>
<tr><td>Shows understanding of one method of improving morale in context</td><td>APP</td><td>Developed analysis of one method of improving morale in context</td><td>3</td><td>DEV</td></tr>
<tr><td>Shows knowledge of at least two methods of improving morale</td><td rowspan="2">1–2</td><td>K + K</td><td>Limited analysis of more than one method of improving morale</td><td>2</td><td>AN + AN</td></tr>
<tr><td>Shows knowledge one method of improving morale</td><td>K</td><td>Limited analysis of one method of improving morale</td><td>1</td><td>AN</td></tr>
<tr><td></td><td colspan="5">No creditable content</td></tr>
</table>
</td><td>11</td></tr>
</table>

Question	Answer	Marks
1(d)	**Indicative content** **AO1 Knowledge and understanding** Knowledge of methods to improve morale including: • financial – higher payments/bonus/change payment method/award shares in company • non-financial – team working, increase holidays, employee participation encouraged, management style (democratic/laissez-faire as highly skilled), job rotation, promotion opportunities/training **AO2 Application** Application of morale to QF's production workers, may include: • low morale of employees leading to a fall in quality and a rise in customer complaints • skilled/highly trained labour leaving leading to high recruitment costs • profits doubled but employees seen no benefit • PLC so employee share ownership could work • highly trained and highly skilled, so more training unlikely to work • increase in competitors willing to attract highly skilled employees from QF **AO3 Analysis** Analysis of methods may include: • financial morale boosters, e.g. pay increases; employees have not received a pay increase in three years although profits at QF have doubled • non-financial morale boosters, e.g. increase in holidays – employees' suggestion, promotion opportunities, job redesign, ask employees' advice on reducing stocks/efficiencies, etc. **AO4 Evaluation** • A recommendation about how QF's management could improve the morale of its production employees. • A judgement over the relative suitability of the chosen method(s). • Elements that the recommendation could depend upon, including costs v benefits, employee views, e.g. already highly skilled so more training unlikely to improve morale, competitors' pay and conditions should be considered. • Weighing up of the impacts on QF/employees – employees complaining about pay and bonuses so increasing these more likely to improve morale. Ownership of shares gives a greater stake in the company, so QF's objectives (e.g. growth, profits, quality) become the employees' objectives/employees likely to want to improve quality and reduce customer complaints/increase profits/ensure loyalty so less likely to move to a competitor firm.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(d)</td><td>Examples of how an answer could develop and how it should be annotated.
<table>
<tr><th>K</th><th>APP</th><th>AN</th><th>DEV</th><th>EVAL</th></tr>
<tr><td>Increase wages</td><td>can be one as profits have doubled over the last 3 years</td><td>increase in pay will make them work harder</td><td>productivity will increase and quality may improve sales</td><td rowspan="2">increase (wages) is the best way to increase morale (eval) as the employees do not think their pay is fair (eval – justifying recommendation), this has affected the quality of the furniture. Increased quality can increase sales and revenue to offset the increase in wages (eval – balancing costs against revenue)</td></tr>
<tr><td>Introduce piece rates</td><td>suitable for furniture manufacturing as division of labour can be used</td><td>this will lead to more units being produced</td><td>and lead to increased profits but quality may go down as employees rush to produce a higher quantity</td></tr>
</table>
ARA</td><td></td></tr>
</table>

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

Define the term 'primary sector' (line 1).

<table>
<tr><th></th><th>Knowledge</th><th>Marks</th></tr>
<tr><td>B</td><td>Provide to secondary / manufacturing business / first stage of production / example</td><td>1</td></tr>
<tr><td>A</td><td>Extraction or collection of natural resources / raw materials</td><td>1</td></tr>
<tr><td></td><td>No creditable content</td><td>0</td></tr>
</table>

Indicative content

AO1 Knowledge and understanding

Industry involved in extraction/collection – of natural resources (e.g. farming, mining, etc.). First part of the supply chain/provide to secondary/ manufacturing process.

A correct definition should include:
- *Extraction of natural resources/raw materials*
- *First sector/stage of production*

Content

<table>
<tr><th>Exemplar</th><th>Marks</th><th>Rationale</th></tr>
<tr><td>Extraction of natural resources (A), e.g. tin mining (B)</td><td>2</td><td>A + B</td></tr>
<tr><td>Extraction of raw materials (A) in order for production and manufacturing to happen (B)</td><td>2</td><td>A + B</td></tr>
<tr><td>First stage of production, e.g. mining</td><td>1</td><td>B only</td></tr>
<tr><td>Collection of raw materials</td><td>1</td><td>A only</td></tr>
</table>

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(ii)</td><td>
Explain the term ‘market’ (line 19).

Award one mark for each point of explanation:

<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. sum total of buyers and sellers interact to exchange goods and services for a price/the interaction between price, demand and supply in an area/region</td><td>1</td></tr>
<tr><td>B</td><td>Buyers and sellers interact</td><td>1</td></tr>
<tr><td>A</td><td>(Place) where goods/services are sold</td><td>1</td></tr>
</table>
Indicative content

AO1 Knowledge and understanding

Consumers who want a product/service / the demand for a product/service (1) from different types/groups/segments of consumers (1) who are willing/able to pay for it (1) in the area or region considered.

The term ‘market’ has a number of different meanings. Any legitimate definition can be used.

The most common definition (as a means of trade) is likely to include:

• A system/place/facility whereby products are bought (1) and sold (1)
• Where businesses and consumers (1) trade (1)

However, other definitions may include:

Market as a group of potential customers for a product:
• The customers/consumers (1) who may potentially purchase a product (1)
• The businesses (1) which are competing to sell a product (1)
• The group of people (1) to whom the business is trying to sell (1)

AO2 Application

Application of a market to a business, such as:
• an example of a market
• the interaction of supply and demand in a market
• an example of the agents in a market
• area/region, e.g. could be local, national, international, virtual, physical
• sum/total of all buyers and sellers/consumers/producers
• market can exist without agents meeting
</td><td>3</td></tr>
</table>

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

Content

Exemplar	Marks	Rationale
Where consumers buy goods and services and businesses sell goods and services (A+B). Markets tend to be in specific groups, e.g. McDonalds sell in the fast food market (C)	3	A correct definition with an example
Where buyers and sellers (B) come to trade (A)	2	A correct definition
Where goods and services (A) are exchanged (B)	2	A correct definition
The market is a group of businesses (B)	1	An idea of the market (from the businesses' point of view) but not selling/competing

</td><td></td></tr>
<tr><td>2(b)(i)</td><td>

Using the information in Table 2.1, calculate the value of the opening balance (X) for 2022.

Rationale	Marks
Correct answer, with or without working	2
Attempt/correct approach/method	1
No creditable content	0

Content
X + 0 – 60 – 0 = –80
X = – 80 + 60
Opening balance = –$20m accept –20

Common incorrect answers

Exemplar	Marks	Rationale
(20)	2	Correct answer – $ or million not needed
20	1	Minus sign missing
X – 60 = –80, X = 140	1	Mark for attempt, miscalculation shown from working out

</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>
Using the information in Table 2.1, calculate the value of the sales (Y) for 2026.
<table>
<tr><th>Rationale</th><th>Marks</th></tr>
<tr><td>Correct answer, with or without working</td><td>2</td></tr>
<tr><td>Attempt/identifies correct figures/correct method</td><td>1</td></tr>
<tr><td>No creditable content</td><td>0</td></tr>
</table>
Content
5 + Y – 0 – 15 = 240 (1)
Y = 240 – 5 + 15
Y = 240 + 10 (1)
Sales = $250m accept 250

Common incorrect answers
<table>
<tr><th>Exemplar</th><th>Marks</th><th>Rationale</th></tr>
<tr><td>250</td><td>2</td><td>Correct answer – $ or million not needed</td></tr>
<tr><td>5 + Y – 0 – 15 = 240</td><td>1</td><td>Correct method</td></tr>
</table>
</td><td>2</td></tr>
</table>

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

Explain <u>one</u> use of the cash flow forecast for TM.

Level	Knowledge and Application	Marks
1(APP)	Explanation of one use of a cash flow forecast **in context**	1
1(K)	Identifies one use of a cash flow forecast	1
0	No creditable content	0

Indicative content

AO1 Knowledge and understanding

Uses of a cash flow forecast:
- identifies potential cash shortfalls – if a business runs out of cash and is able to obtain new finance, it will become insolvent
- to measure the financial performance of the business
- makes sure the business can pay debts/bills
- identifies potential problems with customer payments
- allows better management of a business's cash
- to give information to other stakeholders, e.g. banks
- to identify potential shortfalls in cash balances in advance – 'early warning system'

A cashflow forecast does not forecast profit/loss.

AO2 Application

Application to QF, including:
- expansion
- use of numbers from Table 1.1
- opening of new mine
- answer to 1(b)(i) (OFR)

Example of how responses should be marked.

Identification of a way (K –1 mark)	**Application (APP – 1 mark)**
Helps in future planning	as in 2023, where a negative balance indicates cash flow issues so managers can seek a source of finance
May be used to get a bank loan	as TM will have $240m cash in 2024, the bank will be willing to lend to TM

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(d)</td><td>
Analyse <u>two</u> methods of recruitment that TM's Human Resources Director can use to recruit employees for the new mine.
<table>
<tr><th>Level</th><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis (4 marks)</th><th>Marks</th></tr>
<tr><td>2b</td><td>Shows understanding of two methods of recruitment in context</td><td>4</td><td>Good analysis of two methods of recruitment of new mine employees</td><td>4</td></tr>
<tr><td>2a</td><td>Shows understanding of one method of recruitment, in context</td><td>3</td><td>Good analysis of one method of recruitment of new mine employees</td><td>3</td></tr>
<tr><td>1b</td><td>Shows knowledge of two methods of recruitment</td><td>2</td><td>Limited analysis of two methods of recruitment</td><td>2</td></tr>
<tr><td>1a</td><td>Shows knowledge of one method of recruitment</td><td>1</td><td>Limited analysis of one method of recruitment</td><td>1</td></tr>
<tr><td>0</td><td colspan="4">No creditable content</td></tr>
</table>
Indicative content

AO1 Knowledge and understanding

Knowledge of methods of recruitment, including:
• employment agencies
• online recruitment
• internal
• external
• job advertising, e.g. newspaper, flyers, etc.
• recruitment events

AO2 Application

• Seven mines in country C.
• Different types of employees required such as miners, construction, managers, etc.
• New mine will be in a remote area.
• High local unemployment.
• Average incomes are low.
• Locals may be unhappy with development.
</td><td>8</td></tr>
</table>

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

AO3 Analysis

- Employment agencies – reduces hiring time, may cost less although can be expensive, culture may not fit, may have a pool of potential recruits, communication difficulties, quantity v quality.
- Online recruitment – larger potential pool, quick, cheap, flexible, reduces paper files, informal, lots of competition as hope to recruit from local community where incomes low may miss some potential applicants.
- Internal – move from one of existing mines, already trained, know culture, known to management but may not want to move to remote location and will still mean vacancies in mines left.
- External – from local community, pool of unemployed but may lack required skills/need more training adding to costs.

Examples of how an answer could develop and how it should be annotated.

<table>
<tr><th>K</th><th>APP</th><th>AN</th><th>DEV</th></tr>
<tr><td>External recruitment</td><td>from country C since people have low income and high unemployment</td><td>easier to recruit and train</td><td>this will increase the reputation of TM as they are getting most of their employees from the local area. However, this could take a long time</td></tr>
<tr><td>Internal recruitment</td><td>from within the other seven mines in country C</td><td>easier to recruit as they will be known to the company</td><td>they will already be skilled and will not need much training. However, this will lead to vacancies in those other mines</td></tr>
<tr><td>Recruitment agency</td><td>pick the people with the right mining skills for the job</td><td>can advertise to a greater number</td><td>training costs will be lower and will lead to efficient and effective mining before it runs out</td></tr>
<tr><td>Advertising vacancies</td><td>in a mining magazine</td><td>where highly skilled engineers or miners will see it</td><td>however, this might not be possible in the local area where low incomes and high unemployment means local people will not see the advert</td></tr>
</table>

ARA

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

Question	Answer	Marks
2(e)	**Evaluate possible conflicts between the aims of <u>two</u> of TM's stakeholders.**	**11**

Knowledge and Application (4 marks)	Marks	Annotation	Analysis and Evaluation (7 marks)	Marks	Annotation
			A justified judgement based on a developed analysis of **two** or more possible conflicts between stakeholder aims of TM	7	EVAL + EVAL + EVAL
			A developed judgement based on a developed analysis of two or more possible conflicts between stakeholder aims of TM	6	EVAL + EVAL
			A basic judgement based on a developed argument of at least one possible conflict between stakeholder aims of TM	5	EVAL
Shows understanding of **two** stakeholder aims, in context	4	APP + APP	Developed analysis of **two** or more possible conflicts between stakeholder aims	4	DEV + DEV
Shows understanding of **one** of stakeholder aims, in context	3	APP	Developed analysis of **one** possible conflict between stakeholder aims	3	DEV
Shows knowledge of **two** stakeholders' aims	2	K + K	Limited analysis of **two** possible conflicts between stakeholder aims	2	AN + AN
Shows knowledge of **one** stakeholder's aim	1	K	Limited analysis of **one** possible conflict between stakeholder aims	1	AN
	No creditable content				

Question	Answer	Marks
2(e)	**Indicative content** **AO1 Knowledge and understanding** Knowledge of the aims of stakeholders, including: • local community – nice place to live/work, clean environment • managers – high pay, status, perks • employees – high pay, holidays, security • suppliers – security, sales, profit • customers – low prices, quality product, good service • owners – profit, dividends • government – welfare, tax revenue, economic growth, low unemployment **Note: Aims may be implied rather than explicitly state that it is an aim.** **AO2 Application** Application of stakeholder aims to TM: • local community, e.g. environmental impact, pollution of water supplies, employment/unemployment, living standards • employees/recruits, e.g. training, skilled work, higher incomes • manufacturers of electric vehicles / batteries / mining equipment, etc. **Note: Take reference to TM if using as a proxy for owners.** **AO3 Analysis** Analysis of conflicts between stakeholder aims may include: • government and local community – higher employment/tax revenue so likely to give planning permission, whilst community concerned about pollution of water, buildings in local area or longer term impact when mine closes • employees and owners – employees want higher payments, job security, permanent contracts – all increase costs and conflict with owner's aims to maximise profits/keep costs low • suppliers and owners – both aim to maximise profits so owners want low priced supplies whilst suppliers would like higher prices **AO4 Evaluation** • A judgement may consider the importance of conflict, the potential impact of conflict, whether some stakeholders are more important than others and the need to prioritise stakeholders' interests and conflicts. • A judgement over the relative effects on TM of the stakeholder conflicts. • Elements that the judgement could depend upon, including how this may vary over time and in relation to different specific business decisions.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(e)</td><td>Examples of how an answer could develop and how it should be annotated.
<table>
<tr><th>K</th><th>APP</th><th>AN</th><th>DEV</th><th>EVAL</th></tr>
<tr><td>Shareholders want to obtain high profits (K), local community aims for a clean environment (K)</td><td>TM is a private limited company</td><td>they want to exploit as much as they can from the ground to obtain higher profits, but this conflicts with the local community’s aim for a clean environment</td><td>exploitation of minerals from the ground will pollute the local water supplies, damaging the environment for future generations. But reducing the pollution will reduce the profits, so increasing the conflict between the two aims</td><td>The conflict of the aim for increasing output would highly conflict with the aim of the community (eval) since the mining of tin comes with negative externalities. This will also increase the conflict with the shareholders’ aim of high profits (eval of two conflicts) as they may face fines or be required to clean up the pollution or face being shut down (justified judgement of two conflicts)</td></tr>
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ARA</td><td></td></tr>
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