Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Short Answer/Essay **October/November 2022**

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 October/November 2022 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

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Social Science–Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

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

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4 Annotation:

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

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

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9609 Paper 1 Specific Marking Principles

Marks are awarded for each answer when the following Assessment Objectives (AO) are met. The mark scheme for each answer indicates when and how each AO can be met.

AO1 – Demonstrate knowledge and understanding of business concepts.
The focus in Section A of the Examination Paper is on this first AO.

(a) Questions 1, 2, and 4 will meet this AO using definitions and explanations of business concepts.
(b) Question 3 provides an opportunity for the application and a more developed explanation of a business concept. The 4–5 mark level specifically provides for this more developed explanation.

In Section B of the Examination Paper.

(a) Questions 5, 6, and 7 still require supporting Knowledge and Understanding (AO1), but there is now a focus on **Application (AO2), Analysis (AO3),** and **Evaluation (AO4).** These skills are set out below:

AO2 – Apply knowledge and understanding of business concepts to general and specific situations and contexts.

(a) Where a specific business or context is named in the question then the candidate is required to relate answers specifically to this business or context.
(b) It is not sufficient to merely repeat the name of the business or the context.

AO3 – Analyse business problems, issues, situations and contexts, through a discussion and interpretation of evidence, debate, theory, impact and consequence, to produce reasoned and coherent arguments.

(a) Level 3 answers will likely use terms such as – because, leads to, therefore, so that, as a result, consequently – thereby showing analytical development for AO3.

AO4 – Limited Evaluation is given
(a) When an attempt is made, (probably in a concluding section of an answer), to address and comment on the value and validity of the previous analysis.
(b) These comments may be quite brief and be more opinionated than reasoned.
(c) A mere concluding summary of preceding analysis is, however, not evaluation.

AO4 – Evaluation occurs
(a) When an answer comments on the validity/significance of previous analysis in an evidence based and reasoned way.
(b) This often leads to the presentation of appropriate substantiated judgements, decisions, or recommendations.

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9609 Paper 11, 12 and 13
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.

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Question	Answer	Marks
1(a)	**Define the term 'motivation'.** • The factors that stimulate/encourage/drive/commit/support/boost/persuade, employees, the desire/feelings/will that employees have (1) • To be (and are willing to be) productive, efficient, effective, interested, perform, work hard(er), at full capacity and achieve objectives, goals and tasks (1) Correct definition – 2 of the factors listed above. (2 marks) Partial definition – 1 of the factors listed above. (1 mark) No creditable content. (0 mark)	**2**
1(b)	**Explain <u>two</u> non-financial motivators that could be used for a business' employees.** **Do not accept fringe benefits as an acceptable answer. Do not award any marks for fringe benefits/perks.** Answers could include: • Job security – important motivator – increases commitment • Challenging work – can come through mentoring, job re-design, job enlargement, and job enrichment • Recognition – formal and informal acknowledgement of good work is said to be a powerful source of motivation • Empowerment – opportunities for involvement in decision-making • Opportunities for advancement, development • Team-working • Training • Safe and clean environment • **Accept any other valid response** Correct explanation of **two** non-financial motivators that could be used for a business' employees. (3 marks) Correct explanation of **one** non-financial motivator or partial explanation of **two** non-financial motivators. (2 marks) Partial explanation of **one** non-financial motivator or a list of **two**. (1 mark) No creditable content. (0 mark)	**3**

Question	Answer	Marks
2(a)	**Define the term 'ethics'.** • A system of moral principles/norms/values (that may or may not mention an understanding of right and wrong) (1) • That affects the behaviour/manners of a business and encourages fairness, truthfulness, a concern for social responsibility, the environment, often in the form of a code of conduct or set of rules and regulations, or an example e.g. not using child labour (1) Correct definition – 2 of the factors listed above. (2 marks) Partial definition – 1 of the factors listed above. (1 mark) No creditable content. (0 mark)	**2**
2(b)	**Explain <u>two</u> ways ethics might affect the activities of a business.** Answers could include: • A business is likely to assess all of its objectives to ensure they are compliant with its ethical code • It may lead to the sacrifice of a measure of profit to accept social responsibility • A business will be concerned that all the practices of its suppliers are ethical, e.g. use of child and forced labour – production in sweatshops, violation of worker rights, health and safety standards • A business may be subject to influence of external stakeholders, e.g. pressure groups, consumer activism • Ethical and unethical behaviour can also relate to internal stakeholders e.g. ethical considerations by employees will affect the working environment and hence motivation and productivity • Common business areas where objectives are tested by ethics include – advertising, personal selling, contracts, pricing and suppliers • Attracts ethical customers • Leads to socially responsible activities • **Accept any other valid response** Correct explanation of **two** ways ethics might affect business activities. (3 marks) Correct explanation of **one** way or partial explanation of **two** ways ethics might affect business activities. (2 marks) Partial explanation of **one** way or a list of **two** ways ethics might affect business activities. (1 mark) No creditable content. (0 mark)	**3**

Question	Answer	Marks
3	**Explain why the published accounts of a business might give a misleading description of its performance.** Answers could include: • Window dressing may occur that leads to inaccurate decision making • Non-financial factors will not be shown • Based on historic information that may not represent current levels of performance or position • Produced by inexperienced employee leading to errors • The accounts are presented in summary form, which may not provide relevant information for decision making • No predictive value • **Accept any other valid response** Effective explanation of why the published accounts of a business might give a misleading description of its performance. (4–5 marks) Explanation of why the published accounts of a business might give a misleading description of its performance. (2–3 marks) Descriptive information about published accounts/business performance. (1 mark) No creditable content. (0 mark)	**5**

Question	Answer	Marks
4(a)	**Define the term 'economies of scale'.** • Results from increased output/scale/larger business (1) • Fall of (unit) costs (1) Correct definition – 2 of the factors listed above. (2 marks) Partial definition – 1 of the factors listed above. (1 mark) No creditable content. (0 mark)	**2**
4(b)	**Explain <u>two</u> reasons why a business might experience diseconomies of scale.** Answers could include: • Several reasons may explain diseconomies, which result from increased scale of production: – poor communication between different departments – chain of command lengthens, span of control widens – increasing inefficiencies in a business – delayed decision making – co-ordination and control problems, divisions working in different ways – motivation and morale may decrease in larger businesses – feel less involved, team environment lost • **Accept any other valid response** Correct explanation of **two** reasons why a business might experience diseconomies of scale. (3 marks) Correct explanation of **one** reason **or** partial explanation of **two** reasons why a business might experience diseconomies of scale. (2 marks) Partial explanation of **one** reason **or** a list of **two** reasons why a business might experience diseconomies of scale. (1 mark) No creditable content. (0 mark)	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
Analyse the benefits to a business of market segmentation.
<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of the benefits to a business of market segmentation.</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of the benefits to a business of market segmentation.</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of the benefits to a business of market segmentation.</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of market segmentation.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>
Answers could include:

Knowledge and Understanding 2 marks
• Understanding of market segmentation

Application 2 marks
• Reference to market segmentation in a business context

Analysis 4 marks
• The identification of sub-groups in a market – customers have similar characteristics, which can be targeted – the division of a diverse market
• Marketing plans can be tailored to specific segments – specialisation can be achieved in product distribution, promotion and pricing
• Marketing efforts are more efficient – they are made more appropriate to specific customer segments that have been well defined
• Gaps/opportunities in a market can be identified and exploited
• Advantage to small firms that are not able to compete in the whole market
• More focused marketing can increase sales and profits
• Identify more opportunities for growth
• Retain more customers by a marketing focus that prevents customers switching to competitors
• Accept any other valid response
</td><td>8</td></tr>
</table>

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

Discuss the view that marketing is the most important function for a business that manufactures and sells motor cars.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of the view that marketing is the most important function for a business that manufactures and sells motor cars.</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of the view that marketing is the most important function for a business that manufactures and sells motor cars.</td><td>7–8</td></tr>
<tr><td>2</td><td>Analysis and application of the role of marketing for a manufacturing business.</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of marketing/manufacturing.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and Understanding 2 marks
- Understanding of marketing
- Understanding of car manufacturing/sales

Application 2 marks
- Reference to marketing by a car manufacturing/sales business

Analysis 2 marks
- The role and activities of marketing in business
- Marketing objectives that underpin marketing activities – increase market share – strengthen a brand – establish competitive advantage
- The importance of marketing objectives for successful achievement of corporate objectives
- Analysis of specific marketing activities/methods – market research, marketing mix tactics, marketing strategies
- The links between marketing activities and the activities of other business departments, such as operations, finance and HR
- Marketing objectives specific to car manufacturing may be analysed – a marketing focus on taking advantage of an expanding market for fuel efficient cars (electric)

Evaluation 6 marks
Any judgements/conclusions can be made at any point in the essay not just in a concluding section.

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

Question	Answer	Marks
5(b)	A judgement may be made using the following arguments: • Discussion of whether other business activities might be as important, or more important, than marketing – such as product design, research and development, finance for capital investment, HR for relevant manufacturing skills • Supported judgemental comment on the relative importance of marketing • **Accept any other valid response**	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6</td><td>
‘Good leaders will be more important than effective managers if the business performance of an international hotel chain is to improve’.

Discuss the extent to which you agree with this view.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>5</td><td>Effective evaluation of the view that good leaders will be more important than effective managers if the business performance of an international hotel chain is to improve.</td><td>17–20</td></tr>
<tr><td>4</td><td>Limited evaluation of the view that good leaders will be more important than effective managers if the business performance is to improve.</td><td>15–16</td></tr>
<tr><td>3</td><td>Good analysis of the view that good leaders will be more important than effective managers if business performance is to improve.</td><td>11–14</td></tr>
<tr><td>2</td><td>Limited analysis with application of the influence of managers and/or leaders on business performance.</td><td>5–10</td></tr>
<tr><td>1</td><td>Knowledge and understanding of leaders/managers/business performance/hotel chain.</td><td>1–4</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>
Answers could include:

Knowledge and Understanding 4 marks
• Understanding of leaders
• Understanding of managers
• Understanding of business performance
• Understanding of a hotel chain

Application 4 marks
• Reference to the role of managers and/or leaders on business performance in a hotel chain

Analysis 6 marks
• The influence of effective managers on business performance
• Critical functions of managers – control – co-ordination – operational efficiency – effective marketing, HR, financial, operational management
• Possible reference to Mintzberg manager roles
• Critical functions of leaders – inspire, visionary, take strategic decisions concern with the motivation and morale of employees
• Analysis of the suggested distinction between managers and leaders in a business
</td><td>20</td></tr>
</table>

Question	Answer	Marks
6	**Evaluation 6 marks** Any judgements/conclusions can be made at any point in the essay not just in a concluding section. A judgement may be made using the following arguments: • What areas of business performance in a hotel could be susceptible to manager/leader initiatives/action? • What might be opportunities for performance improvement in a multi-national hotel chain? – brand management? – marketing focus? – customer experience focus? – pricing? – quality of rooms and service • How might this improvement be secured? – at operational and/or strategic level? – what factors/issues are important? • What is meant by `good` leaders and `effective` managers in the international hotel chain context? • Will management be more important in an international hotel chain? • Once the hotel chain is established on an international level, will management be more improvement than leadership? • **Accept any other valid response**	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>7(a)</td><td>

Analyse the benefits to a business of a labour intensive production process.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of the benefits of a labour intensive production process.</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of the benefits of a labour intensive production process.</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of the benefits of a labour intensive production.</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of a labour intensive production process.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and Understanding 2 marks
- Understanding of a labour intensive production process

Application 2 marks
- Reference to the benefits of using a labour intensive production process in a business context

Analysis 4 marks
- More labour may provide the opportunity to give a more unique product in production processes, e.g. hand crafted furniture
- More labour may provide the opportunity to give a more personal service when dealing with the customer face-to-face
- Labour intensive production is more appropriate and necessary for some businesses, e.g. hotels and restaurants due to the customer service nature of the business
- In certain situations, it is less expensive to use labour than expensive machines, especially in countries where labour is inexpensive
- In some businesses, machines are not appropriate for the work being carried out, perhaps it involves a complex set of actions or decisions
- Capital investment can be expensive, and finance may not be available
- There is less of a fixed cost associated with many types of labour and, particularly in recession times, labour is more flexible, and costs can be cut by ‘laying off staff’
- Businesses might get government grants to support new jobs, encouraging labour intensive approaches
- **Accept any other valid response**

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

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>7(b)</td><td>

Discuss the view that the intellectual capital of an information technology business is its most important asset.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of the view that the intellectual capital of an information technology business is its most important asset.</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of the view that the intellectual capital of a business is its most important asset.</td><td>7–8</td></tr>
<tr><td>2</td><td>Analysis and application of the role of intellectual capital and/or assets in a business.</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of intellectual capital/business assets.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and Understanding 2 marks
- Understanding of intellectual capital
- Understanding of business assets

Application 2 marks
- Reference to the use of intellectual capital in a (information technology) business
- Reference to the use of assets in a (information technology) business

Analysis 2 marks
- Intellectual capital is regarded or an important resource and a key contributor to the economic success and value creation of a business – an intangible value-driver
- Intellectual capital is the intangible value of a business, including human capital (skills and expertise of employees), structural capital (databases and systems) and relational capital (links with suppliers/customers)
- Intellectual capital is an asset in that it can provide knowledge, know-how, ability, creativity, innovation, rich productive cultures, business processes, data, intellectual property, business contacts, partners, investors and customers
- In an information technology business intellectual capital could include the expertise of research and design staff, the relationships with local, national and international business and the unique systems and methods established to attract investors and government funding

Evaluation 6 marks
Any judgements/conclusions can be made at any point in the essay not just in a concluding section.

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

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Question	Answer	Marks
7(b)	A judgement may be made using the following arguments: • How important an asset is intellectual capital in the business operations of an information technology business? • Without the hardware (tangible asset) to develop the ideas, the intellectual capital cannot be of use • A judgement may well be made between the intangible asset of intellectual capital and other assets (tangible and intangible) such as a sound financial base, IT hardware, an efficient management and leadership system, an effective HR policy for staff recruitment, an effective marketing strategy for products • Is there a recognition that the distinction between the other assets and the intangible intellectual capital assets of a business is not so clear cut as at first might appear? • **Accept any other valid response**	

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