CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/21**

Paper 2 Business Concepts 2 **October/November 2024**

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 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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Subject Specific Marking Principles for point-based marking

1 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:

- 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.
- DO credit alternative answers/examples which are not in the mark scheme if they are correct.
- DO credit answers where candidates give more than one correct answer where extended writing is required rather than short/list-type answers.
- DO NOT credit answers simply for using a key term unless that is all that is required. (Check for evidence it is clearly understood and used correctly.)
- DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities. For questions that require *n* reasons, e.g. State two reasons…, mark only the first two answers given, not any two that are correct out of a longer list.
- DO NOT give further credit for what is effectively repetition of a correct point already credited or to 'mirror' statements. For example, a response that includes: 'A business owner would benefit from limited liability as it would protect their personal possessions.' and 'If a business owner did not have limited liability they could lose everything.', cannot both be rewarded in answer to one question.
- DO NOT require spellings to be correct, it is <u>not</u> part of the test. However, spellings of business terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused, e.g. offshore/outsource or effective/efficient.

2 Presentation of mark scheme:

- Questions are in bold text.
- Possible responses are in normal text in a bulleted list.
- Marks are rewarded based on the table provided for each question.
- Possible responses are listed under the appropriate Assessment Objective.
- Slashes (/) separate alternative ways of making the same point.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark.

4 Annotation:

- Every response must have a minimum of one annotation.
- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers.
- For questions where only AO1 and AO2 are rewarded, there is a direct relationship between ticks and marks.
- For levels of response marking, the first time level 1 is achieved, L1 is annotated on the response. If/when level 2 is achieved, L2 should be used, etc.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who mark that paper.

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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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Annotations for RM Assessor

To award	Annotation	Comment	Use on Paper 2
Correct		For objective points that are right or wrong.	**Q1(a)(i)** and **Q2(a)(i)** (identify) **Q1(b)(i)** and **Q2(b)(i)** (calculate)
Incorrect		For objective points that are wrong.	**Q1(a)(i)** and **Q2(a)(i)** (identify) **Q1(b)(i)** and **Q2(b)(i)** (calculate) Also, incorrect elements of ANY question.
Unclear		When there is a misunderstanding in a response.	Any
Too Vague		When the candidate has attempted something, but the mark/skill has not been awarded.	Any
Highlight	Highlighter Or Underline	To highlight a point or section of an answer that justifies the mark/annotation.	Any
Benefit of doubt		When the candidate has attempted something, and the mark/skill has been awarded.	Any
On page comment	On page comment	Rarely used in live marking. Very useful for practice scripts. To communicate with the supervisor.	Any
Not using text		When the context has not been used.	**Q1(b)(ii), Q1(c), Q1(d), Q2(b)(ii), Q2(c), Q2(d)**
Seen		To show a page/section has been seen/read.	Any
Not answering question		When the response is not focused on answering the question.	Any

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To award	Annotation	Comment	Use on Paper 2
Repetition	REP	The repetition of a previous point in a response Or Candidate is copying the case study/data.	Any
Own figure rule	OFR	The own figure rule applies – acts as a mark/tick.	**Q1(b)(i) and Q2(b)(i)**
Knowledge (AO1) L1	K	When AO1 has been awarded. Number of Ks should match the mark awarded.	**Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)**
Knowledge (AO1) L2			
Application (AO2) L1	APP	When AO2 has been awarded. Number of APPs should match the mark awarded.	**Q1(a)(ii), Q1(b)(ii), Q1(c), Q1(d), Q2(a)(ii), Q2(b)(ii), Q2(c), Q2(d)**
Application (AO2) L2			
Analysis (AO3) L1	AN	When AO3 at Level 1 has been awarded.	**Q1(c), Q1(d), Q2(c), Q2(d)**
Analysis (AO3) L2	DEV	When AO3 at Level 2 has been awarded.	**Q1(c), Q1(d), Q2(c), Q2(d)**
Evaluation (AO4) L1	EVAL	When AO4 at Level 1 has been awarded.	**Q1(d) and Q2(d)**
Evaluation (AO4) L2	E	When AO4 at Level 2 has been awarded.	**Q1(d) and Q2(d)**
Evaluation (AO4) L3	EE	When AO4 at Level 3 has been awarded.	**Q1(d) and Q2(d)**

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Question	Answer	Marks
1(a)(i)	**Identify <u>one</u> feature of the primary sector.** **Indicative content** Any feature of the primary sector ✔, including: • extraction/collection of natural resources/raw materials • sell raw materials to the secondary sector • a primary sector industry such as farming, fishing, mining Accept all valid responses.	**1**

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

Explain the term *intrapreneur.*

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

Indicative content

AO1 Knowledge and understanding
Knowledge of intrapreneur K, may include:
- manager who leads a team
- develop ideas/technologies/applications/ways of doing business
- creative/innovative

Note: without K cannot award any marks.

AO2 Application
Explanation of intrapreneur APP may include:
- employee within a business
- product development
- to help improve the company/profits
- to help meet the demand of consumers
- creates a competitive advantage

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

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)(ii)</td><td>
Context applied to intrapreneur APP, including:

risks stay with the business
takes on an entrepreneurial role within a business
has the characteristics (of) an entrepreneur
specific examples from FE, such as Lin developing new products
specific examples from BL, such as location of the factory

Guidance in awarding marks
<table>
<tr><td>Knowledge & understanding</td><td>Knowledge of intrapreneur</td><td>1 mark</td></tr>
<tr><td>Explanation</td><td>Develops K point</td><td>1 mark</td></tr>
<tr><td>Context</td><td>Applied to a business context/ business environment/generic example</td><td>1 mark</td></tr>
</table>
Exemplars and annotations
<table>
<tr><th>Exemplars and annotations</th><th>Marks</th><th>Rationale</th></tr>
<tr><td>Creative employee within a business, like Lin for FE</td><td>3</td><td>Creative (K), employee within a business (explanation APP) like Lin for FE (context APP)</td></tr>
<tr><td>Has the characteristics of an entrepreneur developing new ways of doing business</td><td>2</td><td>Has the characteristics of an entrepreneur (context APP), developing new ways of doing business (K)</td></tr>
<tr><td>Manager leading a team</td><td>1</td><td>Only K</td></tr>
<tr><td>Takes on an entrepreneurial role</td><td>0</td><td>Although there is APP, without K no marks can be awarded</td></tr>
</table>
</td><td></td></tr>
</table>

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Question	Answer	Marks
1(b)(i)	**Refer to Table 1.1 and other information. Calculate the forecast change in FE's market share between 2023 and 2024.** Market share/total market × 100 (1) **OR** revenue/market revenue × 100 (1) **OR** FE's forecast market share 2024 =29.45 / 310 × 100 (1) = 9.5% (1) FE's market share 2023 = 8% (given in the case study so no mark for this figure) 9.5% – 8% = 1.5% (3)	**3**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)(i)</td><td>
<table>
<tr><td>Marks</td><td></td><td></td></tr>
<tr><td>3</td><td>Correct answer
1.5% (accept 1.5)</td><td>Working and % do not matter.</td></tr>
<tr><td>2</td><td>Formula
Market share/total market × 100
OR
Revenue/market revenue × 100
AND
Correct figures identified 29.45 / 310
OR
Inverted 310 / 29.45 × 100 (1 mark for implied formula)= 1052.6 (OFR mark)
OR
Show working for inverted formula (1) and then use this as 1052.6 – 8 = 1044.6 (OFR)</td><td>To award two marks, there must be
• Two ✓ and a ✗
OR
• One ✓ , one ✗ and one OFR</td></tr>
<tr><td>1</td><td>One of the following:
Formula
Market share/total market × 100
OR
Revenue/market revenue × 100
OR
Correct figures identified 29.45 / 310
OR
Inverted 310 / 29.45</td><td>To award one mark, there must be:
• One ✓ and two ✗</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>To award zero marks, there must be
• One ✗</td></tr>
</table>
</td><td></td></tr>
</table>

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

Explain <u>one</u> benefit to FE of product development.

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

Indicative content

AO1 Knowledge and understanding
Knowledge of one benefit of product development K. Responses may include:
- keep up with trends
- stay competitive
- to enter new markets
- increase market share
- increase sales
- increase revenue/profit
- improve the quality of products
- increase customer satisfaction/loyalty
- widen customer base
- increases the range of products

AO2 Application
Explanation of a benefit of product development APP, including:
- innovative product may increase demand
- more accurately meet consumer demand
- may attract new customers

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

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

- may be able to charge a premium price/price skimming

Context applied to a benefit to FE of product development APP including:
- market for farm equipment is increasing
- major competitor entered the market
- intrapreneur and project team investment
- developing new machinery
- sells to large farms
- market size increased due to product development/use of answer to **Q1(b)(i)** (OFR)

Accept all valid responses.

Guidance in awarding marks

Knowledge & understanding	Knowledge of a benefit of product development	1 mark
Explanation	Explanation of a benefit of product development	1 mark
Context	Context linked to a benefit of product development	1 mark

Exemplars and annotations	**Marks**	**Rationale**
Firms can enter new markets and widen their customer base and benefit from a growing market.	3	K for benefit, then APP for explaining why a benefit and APP for context from the case study.
Increases range of products to attract new customers	2	K for benefit, then APP for explaining why a benefit but there is no context
To stay competitive	1	K only
Market for farm equipment is increasing	0	No K demonstrated

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

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

Analyse <u>two</u> roles that FE has in the development of country Z.

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

Indicative content

AO1 Knowledge and understanding
Knowledge of two roles (max 1 mark each – annotate one on the left and the other on the right) including:
- creation of jobs/attract other foreign businesses
- increased tax revenue
- investment
- encourage growth
- contributes to economic development
- increase exports/earn foreign currency

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

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Question	Answer	Marks
1(c)	**AO2 Application** Context applied to each role, APP (max 1 mark for each role) including: • current market share 8% • forecast to grow to 9.5% (OFR from 1bi) • accounts for 40% employment • FE is in secondary sector • farming produce sold to other countries • secures country Z's food supply • BL a multinational company investing in country Z • public limited company **AO3 Analysis** *Limited analysis* AN *- candidate shows one link in the chain of analysis.* *Developed analysis* DEV *candidate shows two or more links in the chain of analysis or a two-sided analysis.* • farm equipment aids efficiency in farming • farming is an important sector in country Z • may expand and create more employment/reduce unemployment – increasing country's businesses revenue– • could increase investment • helps develop the secondary sector • success of FM may have attracted BL to locate and invest in country Z **Note: Two-sided analysis could mean negative impacts considered such as effect on smaller businesses** Accept all valid responses.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(c)</td><td>Exemplars and annotations
<table>
<tr><th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr>
<tr><td>Create more jobs K.</td><td>As forecast share of total market revenue to increase APP</td><td>This helps reduce unemployment AN which will boost economic growth DEV.</td></tr>
<tr><td>Increased government tax revenue K</td><td>As attracting multinational companies such as BL APP</td><td>Which increases revenue for other businesses in the country AN who make higher profits so pay more tax DEV.</td></tr>
</table></td><td></td></tr>
</table>

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(d)</td><td>Evaluate the likely impact on FE’s HRM of the new BL factory.
<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
2 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
2 marks</th><th>AO4 Evaluation
6 marks</th></tr>
<tr><td>3</td><td></td><td></td><td></td><td>5–6 marks
Developed evaluation in context
• A developed judgement/conclusion is made in the business context.
• Developed evaluative comments which balance some key arguments in the business context.</td></tr>
<tr><td>2</td><td>2 marks
Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>2 marks
Developed application of relevant point(s) to the business context.</td><td>2 marks
Developed analysis that identifies connections between causes, impacts and/or consequences.</td><td>3–4 marks
Developed evaluation
• A developed judgement/conclusion is made.
• Developed evaluative comments which balance some key arguments.</td></tr>
<tr><td>1</td><td>1 mark
Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>1 mark
Limited application of relevant point(s) to the business context.</td><td>1 mark
Limited analysis that identifies connections between causes, impacts and/or consequences.</td><td>1–2 marks
Limited evaluation
• A judgement/conclusion is made with limited supporting comment/evidence.
• An attempt is made to balance the arguments.</td></tr>
<tr><td>0</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table></td><td>12</td></tr>
</table>

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Question	Answer	Marks
1(d)	**Indicative content** **AO1 Knowledge and understanding** Knowledge of the impact on HRM K (max 2 marks), including: • recruit employees • employees leave • increase in labour turnover • pressure on wages • better opportunities • higher welfare • training and development opportunities **AO2 Application** Context applied to the impact on FE's HRM APP (max 2 marks), including: • low morale • poor work-life balance • employees feel management do not prioritise their welfare • autocratic management style • trade unions • no training and development opportunities at FE • BL larger company • multinational companies **AO3 Analysis** *Limited analysis* AN *– candidate shows one link in the chain of analysis.* *Developed analysis* DEV *– candidate shows two or more links in the chain of analysis.* • a competitor will need local workers so could recruit from FE's workforce • workers may join a competitor if higher wages/better conditions • FE may find increased costs (recruitment, increased wages) • pressure on managers so that they listen to employees • could delay product development if need to recruit replacement employees • lose the skills of current employees who could easily transfer to a competitor	

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

AO4 Evaluation

Limited evaluation EVAL *- unsupported judgement and/or a weak attempt at evaluative comment*
Developed evaluation E *- supported judgement and/or reasonable evaluative comment*
Developed evaluation in context EE *– supported judgement in context and/or reasonable evaluative comment in context.*

- a justified judgement
- identifying that the impact will ultimately depend on a number of unknowns (e.g. unemployment in country Z, BL could transfer employees from other countries)
- could attract workers from other regions of country Z
- discussion of negative v positive impacts
- working conditions may not be better in BL
- wages may be lower
- BL may not want workers who want to unionise
- likely success of BL in country Z unknown – risk to stability of employment
- how skilled are the employees – may not need highly skilled workers

Accept all valid responses.

Exemplars for awarding evaluation

<table>
<tr><th>L1 EVAL (limited supporting evidence)</th><th>L2 E (developed supporting evidence)</th><th>L3 EE (developed supporting evidence with context)</th></tr>
<tr><td>Depends if other companies offer higher wages, labour turnover might increase.</td><td>Depends on whether other companies offer higher wages, then workers leave FE and labour turnover might increase.</td><td>Depends on whether BL, a major competitor, offer higher wages, then workers leave FE, for employment with BL and labour turnover increases.</td></tr>
<tr><td>There may be no impact on HRM.</td><td>There may be no impact on HRM as there may not be better opportunities with other firms.</td><td>There may be no impact on HRM as there may not be better opportunities with other firms and BL is new to country Z so could be risky for workers who go to BL.</td></tr>
</table>

</td><td></td></tr>
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Question	Answer	Marks
2(a)(i)	**Identify <u>one</u> strength of a family business** **Indicative content** Strengths ✔ may include: • joint personal stake • united sense of purpose • trust • tend to take a long-run view • commitment • can be passed on to future generations • knowledge continuity **Note: Must relate to a family business, for example, continuity on its own not enough** Accept all valid responses.	**1**

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

Explain the term *niche market*

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

Indicative content

AO1 Knowledge and understanding
Knowledge of a niche market K (max 1 mark), including:
- (small) segment of a large market
- unique/specialised products
- luxury
- high quality

AO2 Application
Explanation of a niche market APP, including:
- often unprofitable for large companies
- profits often higher/can be sold at a premium price
- few competitors
- limited quantities produced
- customers have similar qualities/preferences

Context applied to niche market APP, including:
- examples of niche markets
- CCL sell product C in a niche market

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

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(ii)</td><td>Accept all valid responses.

Guidance in awarding marks
<table>
<tr><td>Knowledge & understanding</td><td>Knowledge of a niche market</td><td>1 mark</td></tr>
<tr><td>Explanation</td><td>Development of the K point/characteristic of a niche market</td><td>1 mark</td></tr>
<tr><td>Context</td><td>Applied to a business context/business environment</td><td>1 mark</td></tr>
</table>
<table>
<tr><th>Exemplars and annotations</th><th>Marks</th><th>Rationale</th></tr>
<tr><td>Segment of a large market that sells luxury items such as the market for Rolex watches</td><td>3</td><td>K for segment of a large market, APP for explaining sells luxury good and APP for the example</td></tr>
<tr><td>Small segment of a market with few competitors</td><td>2</td><td>K for small segment of a market, APP for characteristic. No context APP</td></tr>
<tr><td>Small segment of a mass market</td><td>1</td><td>K only</td></tr>
</table></td><td></td></tr>
</table>

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

Refer to Table 2.1 and other information. Calculate the forecast total revenue of product C in 2024.

Total revenue x proportion of revenue (1)
Total Revenue 2023 $10 million forecast to increase by 10% = $10 million + $1 million = $11 million (1)
Product C = 15% proportion of revenue = $11 million/100 × 15 (1)
= $1.65 million (3)

Accept all valid responses.

<table>
<tr><td>Marks</td><td></td><td></td></tr>
<tr><td>3 marks</td><td>Correct answer
$1.65 million</td><td>Working, $ and millions (m) do not matter.</td></tr>
<tr><td>2 marks</td><td>Formula
OR
Identifies correct figures
AND
Calculates increase in total revenue – $11m</td><td>To award two marks, there must be
• Two ✓ and a ✗
OR
• One ✓ , one ✗ andone OFR</td></tr>
<tr><td>1 mark</td><td>One of the following:
Formula
OR
Identifies correct figures
OR
Calculates increase in total revenue – $11m</td><td>To award one mark, there must be:
• One ✓ and two ✗</td></tr>
<tr><td>0 marks</td><td>No creditable content.</td><td>To award zero marks, there must be
• One ✗</td></tr>
</table>

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

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

Explain <u>one</u> benefit to CCL of using a budget.

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

Indicative content

AO1 Knowledge and understanding
Knowledge of a benefit K of using a budget, including:
- coordinates activities
- translate objectives into strategy
- translate strategy into tactics
- provide a record of organisational activities
- can improve communication
- improve resource allocation
- improve efficiency
- provides a tool for corrective action
- compare different areas of the business

AO2 Application
Explanation of a benefit of using budgets APP, including:
- coordinates activities; between functional areas of the business
- translate objectives into strategy; to make sure the objective is met
- translate strategy into tactics; to make the strategy is implemented
- provide a record of organisational activities; for later comparison

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

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

- can improve communication/coordination; by giving financial targets
- improve resources allocation; by giving a quantitative target
- improve efficiency; by allocating finances to different areas of the organisation
- provides a tool for corrective action; when actual and budgeted are compared

Context applied to a benefit to CCL of using a budget APP including:

- two products at maturity
- two products with low market share
- niche market product has lowest contribution to total revenue
- market forecast of 25% growth

Accept all valid responses.

Guidance in awarding marks

Knowledge & understanding	Knowledge of a benefit of using budgets	1 mark
Explanation	Explanation of a benefit of using budgets	1 mark
Context	Context linked to a benefit of using budgets	1 mark

Exemplar and annotations	**Mark**	**Rationale**
Improve resources allocation by giving a quantitative target to enable CCL to benefit from the forecast market growth	3	K for benefit, then APP for explaining why a benefit and APP for context from the case study
By allocating finances to different areas of the organisation can improve efficiency	2	K for benefit, then APP for explaining why a benefit but there is no context
Improve resource allocation	1	K only
Sets financial targets		No K of a *benefit* demonstrated

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

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

Analyse <u>one</u> advantage and <u>one</u> disadvantage to CCL of using Boston matrix analysis.

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

Indicative content

AO1 Knowledge and understanding

Knowledge of the Boston matrix ✕ (max 1 mark if no knowledge of advantage or disadvantage), including:
- a method of analysing the product portfolio of a business in terms of market share and market growth

Knowledge of an advantage of Boston matrix analysis ✕ (max 1 mark – annotate on left) including:
- to analyse the breadth/specialisation of a business's product portfolio
- to enable business to move ? to stars
- to ensure business to move stars to cash cows

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

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Question	Answer	Marks
2(c)	• to enable business to launch new products • to enable business to avoid dogs Knowledge of a disadvantage of the Boston matrix analysis K (max 1 mark- annotate on right), including: • withdrawal of dogs from the market unlikely to increase revenue • to move ? to stars will need more spending on marketing • to move stars to cash cows will also require more spending/increased costs • sudden changes in demand may not be accounted for • does not consider contribution to total revenue/profit • does not consider other factors affecting products • data can be inaccurate **AO2 Application** Context applied to an advantage APP (max 1 mark) and disadvantage APP (max 1 mark) of Boston matrix analysis, including: • products a and d cash cows • products b and c question marks • no stars • limited portfolio of products • forecast market growth of 25% over the next 5 years • cash cows account for 55% of total revenue **AO3 Analysis** *Limited analysis* AN *– candidate shows one link in the chain of analysis.* *Developed analysis* DEV *candidate shows two or more links in the chain of analysis or a two-sided analysis.* • product development essential for competition and survival • can inform investment decisions • simple framework to use • only considers market share and market growth so won't be a complete analysis as to why products growing/declining • help eliminate poorly performing products, saving money in the long run • helps businesses understand current and future situations • identify new opportunities to ensure future growth/success • need to consider extension strategies for products • although a product might contribute most to revenue what product will replace this if it declines?	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(c)</td><td>Accept all valid responses.

Exemplars and annotations
<table>
<tr><th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr>
<tr><td>To enable business to move ? to stars K.</td><td>Such as product C APP</td><td>Which is showing high market growth AN so CCL could consider ways to increase product C’s market share DEV</td></tr>
<tr><td>Simple analysis which does not take account of other factors K</td><td>Such as Product B’s forecast contribution to total revenue APP</td><td>Which is higher than either of the two cash cows AN so low market share may not need to be a concern DEV</td></tr>
</table></td><td></td></tr>
</table>

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

Evaluate the importance of operations to CCL's added value.

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

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

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Question	Answer	Marks
2(d)	**Indicative content** **AO1 Knowledge and understanding** Knowledge of operations/added value K (max 2 marks), including: • added value difference between price and costs • value added by the transformation process • produces outputs for customers • inputs used to create outputs • inputs are land, labour, capital and enterprise • outputs created in the manufacturing process • **AO2 Application** Context applied to CCL APP (max 2 marks), including: • coffee a growing market • many (5) processes involved in the transformation process • product differentiation • products in different quadrants in the Boston matrix analysis • same ingredient in differently labelled jars • taste important in coffee consumption • may contribute more to non-branded product **AO3 Analysis** *Limited analysis* AN *– candidate shows one link in the chain of analysis.* *Developed analysis* DEV *– candidate shows two or more links in the chain of analysis.* • helps to build the brand – increasing revenue/sales/profit • can add product features that customers want – attract new customers/increase customer loyalty • ensure quality – goods suitable for purpose • operate efficiently – cost effective • charge a higher price – increasing profits/value added • flexibility and innovation important – especially in a competitive/dynamic environment • protects market share and can increase it	

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

AO4 Evaluation

Limited evaluation EVAL *- unsupported judgement and/or a weak attempt at evaluative comment*
Developed evaluation E *– supported judgement and/or reasonable evaluative comment*
Developed evaluation in context EE *– supported judgement in context and/or reasonable evaluative comment in context.*
A judgement whether operations does contribute to added value.

- evaluation of the relative importance of operations as compared to e.g. marketing
- elements that the evaluation/judgement might depend upon:
  - don’t know how efficient production is
  - other factors such as promotion may contribute more to added value
  - quality of the product important
  - design of packaging also contributes
  - convenience to customers important in creating added value
  - branding and product differentiation may be a greater contribution
  - difficult to measure contribution of operations

Accept all valid responses.

Exemplars for awarding evaluation

<table>
<tr><th>L1 EVAL (limited supporting evidence)</th><th>L2 E (developed supporting evidence)</th><th>L3 EE (developed supporting evidence with context)</th></tr>
<tr><td>Operations is very important to CCL’s added value.</td><td>Operations is very important to CCL’s added value as the quality of a product helps determine the price that can be charged.</td><td>Operations is very important to CCL’s added value as the quality of a product helps determine the price that can be charged. Quality must be ensured at each many processes involved in the transformation of coffee beans to ground coffee.</td></tr>
<tr><td>Product differentiation may be more important than operations.</td><td>Product differentiation may be more important than operations as good marketing is required to sell the products.</td><td>Product differentiation may be more important than operations as good marketing is required to sell the products, in the case of CCL each different coffee product has the same ingredients.</td></tr>
</table>

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

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