UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

GCE Advanced Subsidiary Level and GCE Advanced Level

MARK SCHEME for the May/June 2010 question paper

for the guidance of teachers

9707 BUSINESS STUDIES

9707/11 Paper 11 (Short Answer/Essay), maximum raw mark 40

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UNIVERSITY of CAMBRIDGE
International Examinations

Section A (Short Answer)

1 **(a)** Functions might include: workforce planning, recruitment and selection, training and development, appraisal, welfare, consultation and negotiation.

One relevant function. (1)
Two relevant functions. (2)

(b) Reasons might include: bargaining power with fellow workers, protect interests, education, other benefits.

Some limited/vague comment on the role of a Trade Union. (1)
Limited/partial explanation of one relevant reason. (2)
Full explanation of one relevant reason. (3)

2 **(a)** The ability of a business to find cash for short-term financial needs – the ease with which an asset can be changed into cash.

Partial definition of liquidity. (1)
Full definition of liquidity. (2)

(b) Financial accounting – the collection/calculation, analysis and publication of figures relating to business performance and profitability that must be made available under the provisions of the Companies Act. They are a record of a company's dealings/performance rather than the predictions involved in management accounting.
Management accounting involves the internal financial information made available to managers (as opposed to that which must be published by law). This information is used for forward planning, reviewing and analysing the performance of a business – costs and revenues – budgets.

Partial explanation of either term. (1)
Full explanation of either term. (2)
Accurate explanation of both terms. (3)

3 Well-defined objectives help a business to be clear about what it wants to achieve – gives a sense of direction – provides a measure of how the business performance matches its achievement aims – reference may be made to specific objectives, e.g. survival, growth, market penetration, profitability etc.

Some understanding of business objectives. (1)
Sound understanding of business objectives with specific examples and possibly implicit reference to 'importance'. (2–4)
As above, with explicit reference to the 'importance' of business objectives. (5)

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4 (a) Stakeholder groups might include shareholders, employees, suppliers, customers, owners, community, government.

One relevant stakeholder group identified. (1)
Two relevant stakeholder groups identified. (2)

(b) Explanation might include the following: business performance affects the ways in which the business can impact on stakeholders in terms of profit share (dividends), salaries and wages and business continuity/survival, investment repayment/or opportunities for further investment/growth, ability to pay taxes, ability to assist community environment and satisfy customer demands.

Limited/vague reference to how stakeholder groups' interests are influenced. (1)
Sound understanding of link between business performance and ONE stakeholder interest. (2)
Sound understanding of the link between business performance and stakeholder interests with ONE DEVELOPED example. (3)

5 (a) Answers could refer to the significance of production control through the identification and scrapping of unsuitable output – the need to establish and maintain high quality standards, particularly in flow-line production – the need to meet customer expectations – the need to reduce costs of scrapping materials, of wasted labour time and of rectifying poor workmanship – to prevent defective products.

Sound analysis of importance of quality control issues in context. (7–8)
Sound understanding and some analysis of quality control issues in context of a manufacturing business. (5–6)
Shows good understanding of quality control in a business context. (3–4)
Shows limited awareness of quality control issues. (1–2)

(b) Discussion might include reference to methods/approaches that aim to prevent problems, detect problems, correct problems, improve quality performance e.g. quality control inspectors, quality control charts, statistical process control, random inspection. Credit responses that recognise that there has been a change in focus to methods of prevention (before poor quality develops) and that such preventative approaches include the following: TQM, Kaizen, Zero Defects, Quality Circles, Benchmarking.

Evaluative comment on the relative strengths/advantages of different methods/approaches in a manufacturing context. (11–12)
Analysis of methods/approaches to achieve a high level of quality control. (8–10)
Shows good understanding of methods/approaches to quality control achievement (but descriptive not analytical). (3–7)
Shows some understanding of quality control methods/approaches. (1–2)

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6 Answers could refer to the increasing requirement for businesses to take into account ethical issues. Reference could be made to general business ethics such as the philosophy of a business (shareholder v stakeholder) or corporate social responsibility or to specific business ethics such as: accounting information – creative accounting, insider trading; HRM – treatment of employees; sales and marketing – price fixing – disinformation; production – pollution and carbon emission; intellectual property – patent infringement; international use of child labour etc.

Some evaluative comment, e.g. a recognition that ethical business activity might not be a constraint but rather a source of competitive advantage. (17–20)
Analysis of ethical issues and business activities (with examples of contraints). (14–16)
Good understanding of ethical issues in business activity. (11–13)
Descriptive comment on ethical issues and business activities. (5–10)
Limited understanding of ethics and implication for business activities. (1–4)

7 **(a)** Answers could refer to an accepted definition of the marketing function – a process involved in identifying/anticipating and satisfying customer requirements profitably – the concept of market-led rather than production-led operations – connection between the marketing function and the general and specific activities of a business organisation…the particular relevance to a service business.

Explicit reference to the importance of the marketing function (in the context of a service business). (7–8)
Sound understanding and some analysis of the marketing function (possibly with examples of marketing activity and some reference to the service context). (5–6)
Good understanding of the marketing function (probably quite descriptive). (3–4)
Shows limited awareness of the marketing function. (1–2)

(b) Answers could initially define the concept – a business aiming a product or service at a particular, often tiny, segment of the market – and then discuss the advantages and disadvantages.

Advantages, e.g. small firms able to sell and exploit niche markets, avoid competition; better focus on customer needs and gain on competitive advantage – could be very profitable.

Disadvantages, e.g. profitable niche markets attract competition, large businesses may join in and enjoy economies of scale – many niche businesses have very few products – risk increased – may be subject to big and more frequent swings in consumer spending.

Evaluative comment – such as an attempt to contextualise and assess the balance of advantage or disadvantage of niche marketing. (11–12)
Analysis of the advantages and disadvantages of niche marketing. (8–10)
Shows good (descriptive) understanding of niche marketing advantages and disadvantages (maximum of 4 marks if only one of advantages or disadvantages discussed). (3–7)
Shows limited understanding of niche marketing. (1–2)

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