CAMBRIDGE INTERNATIONAL EXAMINATIONS

GCE Advanced Subsidiary Level and GCE Advanced Level

MARK SCHEME for the October/November 2012 series

9707 BUSINESS STUDIES

9707/21 Paper 2 (Data Response), maximum raw mark 60

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.

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Cambridge is publishing the mark schemes for the October/November 2012 series for most IGCSE, GCE Advanced Level and Advanced Subsidiary Level components and some Ordinary Level components.

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1 Tiger Skateboards (TS)

(a) Explain the following terms:

(i) mass customisation [3]

Content:
Highly capital-intensive production system but done in a way that allows products to have their own individual features from a menu choice. Usually computer controlled.

Level 2: Good explanation (2–3 marks)
Level 1: Partial explanation/understanding (1 mark)

(ii) sample. [3]

Content:
The group of people taking part in a market research survey/activity chosen to represent the overall target market.

Level 2: Good explanation (2–3 marks)
Level 1: Partial explanation/understanding (1 mark)

(b) (i) Suggest <u>two other</u> forms of graphical presentation for the answers to question 4 in the survey shown in Figure 1. [2]

Bar chart. Data is discrete therefore a line graph not suitable whereas a bar chart is. Pie chart ARA. (1 mark for each)

(ii) Briefly explain <u>two</u> reasons why Haim's survey results are unreliable. [4]

A Level Business Studies student
Sample size?
How was sample chosen?
Weaknesses in questions
ARA

Knowledge and Application
Level 2: Shows understanding of surveys/questionnaire in the context of the data. (3–4 marks)
Level 1: Shows understanding of surveys/questionnaire. (1–2 marks)

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(c) Analyse why the relationship between customers and the business (the 4Cs) will be important to TS if it decides to launch the new product. [8]

4Cs: customer solution, cost to customer, communication with customer, convenience to customer.
Communication: many had not heard of brand name. Will be important in marketing.
Customer solution: design to their expectations.
Convenience: customers seem to be happier with internet than retail outlets.
Cost: not much known here.
ARA.

Knowledge and Application	Analysis
Level 2: Shows understanding of 4Cs in the context of business. (3–4 marks)	Level 2: Good analysis of importance in context. (3–4 marks)
Level 1: Shows understanding of 4Cs. (1–2 marks)	Level 1: Limited analysis of importance. (1–2 marks)

(d) Discuss the factors influencing motivation of the R&D team and motivation of the sales team at TS. [10]

R&D team: exciting job, freedom. Awards won travel perks. Pay doesn't seem to be positive. Management style etc.

Sales team: Do they work better with commission? May link to targets.

ARA.

Knowledge and Application	Analysis and Evaluation
Level 2: Shows understanding of motivation in the context of business. (3–4 marks)	Level 2: Good analysis of factors or good. analysis in context. (3–6 marks)
Level 1: Shows understanding of motivation. (1–2 marks)	Level 1: Limited analysis of factors. (1–2 marks)

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2 Bestmove partnership (BM)

(a) Explain the following terms:

(i) corporate objectives [3]

Content:
The long term goals of a corporation that give focus and direction to the business. These form the foundation for the strategic plan of the business.

Level 2: Good explanation (2–3 marks)
Level 1: Partial explanation/understanding (1 mark)

(ii) internal growth. [3]

Content:
Expansion by means of opening new branches, shops, factories. Contrasts with external (takeovers etc.). Can be slow.

Level 2: Good explanation (2–3 marks)
Level 1: Partial explanation/understanding (1 mark)

(b) (i) Refer to Table 1. Calculate the net profit margin for the first year. [2]

NPM = 30/100 × 100 = 30%

Correct answer: 2 marks
Attempt: 1 mark

(ii) Briefly explain why cash flow might be a problem for BM. [4]

Income comes after costs have been incurred – delays in customer payments.

Knowledge and Application
Level 2: Shows understanding of cash flow in the context of the business. (3–4 marks)
Level 1: Shows understanding of cash flow. (1–2 marks)

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(c) Analyse the extent to which process innovation (improving information flows) could help BM. [8]

The use of new or much improved production method or service delivery method.
The services provided by BM are largely information flows and monitoring. Currently a range of systems is used. With some duplication of work.
Re-designed system could streamline what happens and avoid duplication/conflicting information.
ARA.
Analysis likely to come from considering benefits and costs.

Knowledge and Application	Analysis
Level 2: Shows understanding of process innovation in the context of business. (3–4 marks)	Level 2: Good analysis in context. (3–4 marks)
Level 1: Shows knowledge of process innovation. (1–2 marks)	Level 1: Limited analysis of help to BM. (1–2 marks)

(d) Evaluate the factors that John needs to consider before opening the BM office in your country. [10]

Content:
Reference to candidate's country needed for context
Market/marketing
Competition
Growth potential
Laws, regulations
Management
Employees
ARA.

Knowledge and Application	Analysis and Evaluation
Level 2: Shows understanding of location/ factors in the context of business/country. (3–4 marks)	Level 2: Evaluation of factors in context or good analysis. (3–6 marks)
Level 1: Shows knowledge of location/factors. (1–2 marks)	Level 1: Limited analysis of factors. (1–2 marks)

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