CAMBRIDGE INTERNATIONAL EXAMINATIONS

GCE Advanced Subsidiary Level and GCE Advanced Level

MARK SCHEME for the October/November 2012 series

9707 BUSINESS STUDIES

9707/22 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.

Cambridge will not enter into discussions about these mark schemes.

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.

CAMBRIDGE
International Examinations

1 BizBank (BB)

(a) Explain the following terms:

(i) social enterprise [3]

Content: A business with mainly social objectives that reinvests most of its profits into benefiting society rather than maximising returns to owners.

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

(ii) co-operative. [3]

Content: Legal business structure owned by members of the co-operative. Could be employees, customers. Profits/decisions shared between members.

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

(b) (i) Calculate the forecast net profit for BB for year 2. Use Table 1 in your answer. [2]

Income – costs = 200 – 40 – 20 – 10 = $130m

Correct answer (2 marks)
Attempt (1 mark)

(ii) Briefly explain why cash flow could be a problem in the first two years for BB even though the business seems profitable in year 2. [4]

Negative: set up costs; low levels of business at the beginning.

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

© Cambridge International Examinations 2012

(c) Analyse the recruitment difficulties that BB could experience in year 1. [8]

Finding right skills
Commitment to a social enterprise
Who'd work for a new bank without a track record?
Risk
Allow induction training as part of recruitment
ARA.

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

(d) Discuss the extent to which e-commerce could be important to BB. [10]

Content:
Accept IT based answers
Marketing
Customers managing own accounts.
Unrealistic to operate as a non-online bank?
Contact with customers (lenders/borrowers)
Maintaining and communicating records/statements
ARA.

Evaluation likely to come from some sense of which benefits are the most important.

Knowledge and Application	Analysis and Evaluation
Level 2: Shows understanding of e-commerce in context of the business. (3–4 marks)	Level 2: Evaluation of importance in context. (3–6 marks)
Level 1: Shows knowledge of e-commerce. (1–2 marks)	Level 1: limited analysis of importance. (1–2 marks)

© Cambridge International Examinations 2012

2 King Kites

(a) Explain the following terms:

(i) CAD (computer aided design) [3]

Content: Computer aided design: using computers and IT to speed up the design process and make it more flexible.

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

(ii) primary research. [3]

Gathering first hand data about markets (size, trends, competitors, customers, likely sales etc.) Carried out to produce new information directly related to the business. Can involve questionnaires, focus groups, test marketing etc. Contrasts with secondary.

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

(b) (i) Briefly explain <u>one</u> sampling method appropriate for the primary research. [2]

Random, stratified, quota, etc.

1 mark for method, 1 mark for explanation.

(ii) Briefly analyse the benefits of presenting the information in Table 2 as a graph/chart. [4]

More effective communication
Easier to understand
ARA.

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

© Cambridge International Examinations 2012

(c) Analyse the factors that could influence the leadership style used by KK's managers if they decide to make Robokites. [8]

Currently laissez-faire. This may be alright because the workforce is highly skilled and motivated.

New situation requires new skills, greater integration of different areas (kites/electronics).

Less scope for individuality. Therefore more direction/control needed? Different skills, different type of work.

How's it going to be organised?

Management needs tightening up. Some kind of democratic management would suit skills/attitude of work force but there needs to be strong guidance/coordination.

ARA.

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

(d) Evaluate a suitable marketing mix that KK could use to launch Robokites. [10]

Niche market?
Internet or shop sales. Wholesalers?
Budget?
Innovative product, innovative price? Clearly important from survey results.
Aspects of product important: performance, design, ease of use.
Promotion issues? Target market? Media?
ARA.

Knowledge and Application	Analysis and Evaluation
Level 2: Shows understanding of marketing mix in the context of the business. (3–4 marks)	Level 2: Evaluation of marketing in context. (3–6 marks)
Level 1: Shows understanding of marketing mix. (1–2 marks)	Level 1: Limited analysis of marketing mix. (1–2 marks)

© Cambridge International Examinations 2012