**CAMBRIDGE INTERNATIONAL EXAMINATIONS**

**GCE Advanced Subsidiary Level and GCE Advanced Level**

# MARK SCHEME for the October/November 2012 series

# 9707 BUSINESS STUDIES

**9707/23** 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 Fastship (FS)**

**(a) Explain the following terms:**

**(i) adds value [3]**

Content: in business processes, work often adds value e.g. timber (which is cheap) is worked into furniture (which has a higher value). Added value = output value – input value. Value added is not the same as profit; profit applies to a business and includes other costs, value added applies to a product/service.

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

**(ii) entrepreneurs. [3]**

Content: someone who takes the risk of starting and managing a new business venture. Characteristics could be mentioned.

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

**(b) (i) Calculate the value of X in Table 1. [2]**

–330 + 500 – 80 = $90 000

Correct answer: (2 marks)
Attempt: (1 mark)

**(ii) Comment on the usefulness of this cash flow forecast to FS's bank. [4]**

Shows when cash flow is a problem (e.g. quarter 3) and when surplus is achieved (e.g. quarter 5).
Enables them to see risks in providing credit.
Could be useful in renegotiating loans.
ARA.

| 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) |

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**(c) Analyse methods of training that could be used to train new staff in each new country. [8]**

On the job: in a foreign country so is this realistic? Expensive to send trainers out.

Off the job: bring trainees to FC's country. Expensive? Realistic? Will they learn about local conditions?

At local training places e.g colleges. Will they learn about FS's systems, policies etc.?

| Knowledge and Application | Analysis |
|---|---|
| Level 2: Shows understanding of training in context of the business.<br>(3–4 marks) | Level 2: Good analysis.<br>(3–4 marks) |
| Level 1: Shows knowledge of training.<br>(1–2 marks) | Level 1: limited analysis of methods.<br>(1–2 marks) |

**(d) Discuss the likely impact on FS of using new technology. [10]**

Content:

Needs: marketing, selling, communicating with customers and suppliers, tracking/monitoring, booking by customers, booking shipping etc.

Benefits:

Wider customer base, better control, easier logistics, communication.

Costs:

Little. Training? Systems? Hardware?

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 Internet in context of the business.<br>(3–4 marks) | Level 2: Evaluation of benefits in context.<br>(3–6 marks) |
| Level 1: Shows knowledge of Internet.<br>(1–2 marks) | Level 1: Limited analysis of benefits.<br>(1–2 marks) |

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**2 Junior Games (JG)**

**(a) Define the following terms:**

**(i) director [3]**

Senior managers. Often elected by Board.

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

**(ii) interest rates. [3]**

Content: the charge for borrowing money; the reward for lending money. Part of the government's monetary policy.

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

**(b) (i) Suggest <u>two</u> ways in which the information in Figure 1 could be presented. [2]**

Bar charts
Pie charts
ARA – allow table.

One mark for each reasonable suggestion.

**(ii) Briefly analyse the benefits of presenting the information in <u>one</u> of the ways you have selected. [4]**

Whatever is chosen:
More effective communication
Easier to understand
ARA – benefits of table are limited since data already in a kind of table.

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

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**(c) Analyse the workforce problems that JG could experience when changing production to MFB. [8]**

Different skills, different type of work.

Redundancies for IT skills?
Recruitment of lesser skills?
Who does what job?
How's it going to be organised?

ARA.

| Knowledge and Application | Analysis |
|---|---|
| Level 2: Shows understanding of workforce issues in the context of the business. (3–4 marks) | Level 2: Good analysis in context. (3–4 marks) |
| Level 1: Shows understanding of workforce issues. (1–2 marks) | Level 1: Analysis of problems. (1–2 marks) |

**(d) Discuss the factors that JG should consider when marketing MFB. [10]**

Niche market?
Internet or shop sales (previously relied on downloads, now selling something physical).

Budget?

Less competitive market. Price/Promotion issues?

Product design/packaging issues.

ARA.

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

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