

# Specimen Mark Scheme

## Applied Business (BS12)

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Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

1

Total for this question is 20

(a) Using **Item A**, explain why Bill thinks it is important for him to be proactive in his management of the Preservation Society. (5 marks)

Bill thinks that as the railway grows it is increasingly important to be able to exploit events.

To do this he thinks that the railway needs to identify opportunities and seek to position the railway to take advantage of them.

He thinks the railway needs to be placed on a firmer financial footing and can only do this if he seeks to push the business along.

Level	Descriptor	Marks	Objective
2	Uses <b>Item A</b> to explain why Bill thinks its important for him to be proactive.	3–5	AO2
1	Explains or describes the meaning of proactive management.	1–2	AO1

(b) (i) Using **Item A**, explain why Bill wants to take more of the decisions himself. (5 marks)

The society has traditionally involved all the volunteers because this is:

- how the society started and it is difficult to change this as the *Society* grows;
- it gives the volunteers a sense of ownership and responsibility;
- it may attract more volunteers if they feel they can directly influence the preservation of something they believe in;
- the rules of the *Society* require the members to be consulted.

Bill now wants to make more of the decisions to speed up the decision making process. This would allow the business to exploit new commercial opportunities where decisions have to be made quickly. He believes this is essential to allow the business to prosper in the future.

Level	Descriptor	Marks	Objective
2	Uses <b>Item A</b> to explain why Bill feels he needs to change the way the <i>Society</i> is run.	3–5	AO2
1	Explains general benefits of centralising decision making.	1–2	AO1

(ii) Discuss the effect on the volunteers' motivation of Bill taking more of the decisions.  
(10 marks)

If Bill was given the authority to make more of the decisions it would have both positive and negative effects on volunteer motivation.

In the short-term, many volunteers would be concerned at their perceived reduction in influence on the railway and this would reduce their motivation. Some of them may not feel as committed to the railway, especially as with the decision to work with Central Trains, some of them felt that this was not a sensible direction for the railway to be going in. If their decision making rights were removed they may feel powerless to influence this decision and therefore reduce their input to the railway.

In the long run, if the changes to give more decision making control to Bill allowed the *Society* to thrive, grow and prosper, some volunteers may be motivated by this as they would then be part of a more successful society which was better able to meet the *Society's* long-term objectives of preserving the historic railway line.

Level	Descriptor	Marks	Objective
4	Discusses pros and cons of such a move in both the long and short-term.	8–10	A04
3	Analyses why volunteers may feel more or less motivated, considering long or short-term factors.	6–7	AO3
2	Explains why volunteers may feel more or less motivated, considering long or short-term factors.	3–5	AO2
1	Explains or describes general effects of a reduction in decision making on motivation of a workforce.	1–2	AO1

2

Total for this question is 23

(a) (i) *Marcus's attitude towards his staff has been described as McGregor's Theory Y. Using **Item B**, explain what this means.* (5 marks)

Marcus takes the view that his staff are self-motivated and want to learn and progress. He, therefore, has an approach which stresses good wages, good career opportunities and high levels of training. He also cares for his staff and believes he needs to offer them security and a long-term relationship to get the best out of them.

Level	Descriptor	Marks	Objective
2	Uses <b>Item B</b> to explain Theory Y.	3–5	A02
1	Explains or describes general characteristics of Theory Y.	1–2	A01

(ii) *Using **Item B**, analyse whether Marcus has been successful in applying his management style to the business.* (8 marks)

Marcus has been successful in applying his paternalistic style because his approach has led to long-term and sustained growth.

He has created a dedicated team of staff who believe that there is a long-term future for them within the business. This will have led to high levels of productivity.

As a result, the business has been able to be profitable and grow.

Level	Descriptor	Marks	Objective
3	Analyses the benefits the management style has brought to the business.	6–8	A03
2	Explains how the management style has impacted on the company's staff.	3–5	A02
1	Describes a relevant management style.	1–2	A01

(b) *Discuss the factors Marcus would want to take into account when making his decision on the sale of the business.* (10 marks)

Marcus is obviously concerned about the future of the business and does not want to see it close when he retires. He is also concerned about the long-term future of the staff and their welfare.

He will, therefore, want to ensure that whoever buys the business will continue the business whilst supporting staff development and progression so the motivated workforce continues to strive to improve the business as it has under his tenure.

He is also concerned that he does not want to sell the business to the managers unless they have sufficient financial resources to make it a success.

Finally, he will also have to think about his own financial best interest, which may be served by selling to the highest bidder.

His decision is, therefore, complex and will require him to balance the conflicting aims of maximising his own gain which is not leading to a situation which penalises his staff or the future viability of the business he has built up.

Level	Descriptor	Marks	Objective
4	Discusses factors relevant to the sale of the business.	8–10	A04
3	Analyses factors relevant to the sale of the business.	5–7	A03
2	Explains factors relevant to the sale of the business.	3–4	A02
1	Describes some valid factors.	1–2	A01

**3****Total for this question is 37**

(a)(i) Using <b>Item C</b> , discuss the factors motivating Fred's workforce.	(9 marks)
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*Bachus* has only used money to motivate its staff in the past.

The business has not given any job security and has accepted unconventional staff employment practices as being necessary to make the business work. There would be little chance of promotion, responsibility or training within the business.

As a result, the staff will not feel any loyalty to the business and will only stay as long as there are high rewards (tax free) on offer.

Level	Descriptor	Marks	Objective
4	Uses <b>Item C</b> when discussing factors motivating the workforce.	7–9	A04
3	Uses <b>Item C</b> when analysing factors motivating the workforce.	5–6	A03
2	Uses <b>Item C</b> to explain factors motivating the workforce.	3–4	A02
1	Describes some valid factors motivating a workforce.	1–2	A01

- (ii) *Fred has to make significant changes to the business to make it legitimate. Discuss the possible effects of these changes on the existing staff's willingness to work for him.* (10 marks)

They will feel threatened by the prospect of losing their jobs, having to repay tax or benefits and the possibility of criminal proceedings.

The business is also under threat of closure due to the large impact on its staffing numbers, removal of its gaming licence and the large bill for unpaid tax levied on its owner. Even its legal staff will therefore feel their livelihood is threatened and many will look for alternative employment straight away.

Staff motivation will also be reduced as the staff will feel they will not be able to get away with anything again as the business will now be watched very closely by the authorities.

Level	Descriptor	Marks	Objective
3	Analyses how significant changes might affect staff motivation.	5–6	A03
2	Explains how significant changes might affect staff motivation.	3–4	A02
1	Describes how change can affect employees.	1–2	A01

**For A04**, you should award marks using the scheme below.

**Note** that A04 also assesses candidates' quality of written communication. When deciding on the A04 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Objective
3	Assesses significance of change <b>and</b> prioritises a range of evidence from <b>Item C</b> . Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	3–4	A04 and Quality of written communication
2	Partly assesses significance of change <b>and</b> prioritises some evidence from <b>Item C</b> . Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	2	
1	Partly assesses significance of changes <b>or</b> prioritises some evidence from the <b>Item C</b> . Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	1	

(b) Propose and justify **two** key actions which Fred could take to attract new staff once his business has solved its current problems and become legitimate. (2 x 9 marks)

Fred has a number of key ways in which he could deal with this. He could:

- put in place proper staff policies which allow him to motivate staff with more than simply money – ie training, progression etc;
- advertise the posts on offer;
- find ways to offer the staff a longer working season or work with other seasonal business to give continuity of employment;

Fred also has to rectify the situation quickly as the business is very seasonal and any disruption during the delay cannot be recovered easily later in the year.

Apply following scheme to each action.

Level	Descriptor	Marks	Objective
3	Analyses how action could attract staff.	4–5	A03
2	Explains how action could attract staff.	2–3	A02
1	Describes a valid action.	1	A01

**For A04**, you should award marks using the scheme below. Apply following scheme to each action.

**Note** that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Objective
3	Assesses likely success of action <b>and</b> prioritises a range of evidence from <b>Item C</b> . Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	3–4	AO4 and Quality of written communication
2	Partly assesses likely success of action <b>and</b> prioritises some evidence from <b>Item C</b> . Ideas are communicated using a logical structure, with some appropriate use of technical terms. There are occasional errors in accepted conventions of written communication.	2	
1	Partly assesses likely success of action <b>or</b> prioritises some evidence from <b>Item C</b> . Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	1	