

Mark Scheme (Final)

Summer 2008

GCE

GCE Applied Business (6916/01)

General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
<p>1(a)</p> <p>AO1</p> <p>MB1 = 4</p>	<ul style="list-style-type: none"> To attract more airlines Because satisfied customers are easier to deal with To maintain/increase business at the airport To attract travellers To reduce level of complains To retain retail customers To attract new retail customers To maintain customer loyalty 	<p>1 mark for each reason</p> <p>(4 marks)</p>

Question Number	Answer	Mark
<p>1(b)</p> <p>AO2</p> <p>MB2 = 2</p> <p>AO3</p> <p>MB3 = 2</p>	<ul style="list-style-type: none"> Use the marketing mix – select appropriate elements to use to communicate information about <i>Mercia Airports Ltd</i> that show customer support – make plans to communicate message – put plans into action and monitor progress/success Raise awareness of all the positive aspects of the airport – use PR/advertising/sales promotion as method of communication – plan communication strategy – put into action Conduct marketing research to produce customer feedback – use this to monitor customer satisfaction – use to suggest changes if customers are not satisfied – further research to check is successful Work with other business functions to make sure that this aim is communicated to all employees – use internal communications/newsletter/meetings to promote customer service – feed back findings from customer research – run internal promotions/incentives to encourage improvements in customer service 	<p>1 mark for how marketing function supports main aim (maximum 2 marks) + 1 mark for application (maximum 2 marks)</p> <p>or</p> <p>1 mark for how marketing function supports main aim + 1 mark for application (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Answer	Mark
1 (c) i) AO1 MB1 = 2	<ul style="list-style-type: none"> To maintain market share To give business a target to work to To maintain income in line with market trends So that it can measure the success or not of the business against market forecasts <p>(Do not accept low-level generic answers eg profit/survival etc)</p>	<p>1 mark for each reason</p> <p style="text-align: right;">(2 marks)</p>

Question Number	Answer	Mark
1(c)(ii) AO4 MB2 = 2 MB3 = 2	<ul style="list-style-type: none"> Forecast growth may not happen - forecasts are no guarantee of market performance - changes in the economy likely to affect consumers - holiday flights are a luxury paid for from discretionary income which could be reduced if economy has a downturn Accepting growth in line with market could limit/restrict opportunity to grow faster - business could loose out - government survey will not take into account local factors - there may be local developments like population increases that could be exploited to achieve faster growth than that forecast There may be a downturn in holiday flights - consumers may become negative towards flying - reports of increases in CO2/pollution/carbon footprint linked to flying cause consumers to reduce travel by air - holiday flights are the first to be affected by the reduction 	<p>1 mark for risk</p> <p>1 mark for developing risk</p> <p>1 mark for application to holiday flights (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p>

Question Number	Answer	Mark
1 (d) AO1 MB1 = 1 MB2 = 2	<ul style="list-style-type: none"> • For survival – business wants a future – will need to generate profit to pay its bills • To pay for running costs – overheads for such a business will be high – needs to make a profit to pay ongoing costs • To make money for <i>Rack Holdings plc</i> – as part of a larger organisation it will be expected to produce profit – or holding company could cut budgets/cut staff/change management • To generate a return for investors – investors/<i>Rack Holdings plc</i> will want a return on their investment – or they could take their money and invest it elsewhere to make a greater return • To pay for future investment/reinvestment – a modern airport must keep up-to-date with technology – new technology in this industry will be very expensive and profit will be a good way to pay for this without taking out loans etc. 	<p>1 mark for reason (maximum 2 marks) + 1 mark for development of reason (maximum 2 marks)</p> <p style="text-align: right;">(3 marks)</p>

Question Number	Answer	Mark
1(e) AO1 MB1=1 AO2 MB2 = 2	<ul style="list-style-type: none"> • Use own resources/saving built-up from profit - will need support from investors - as their return will be affected if profit is spent on other projects rather than dividend on shares • Loan from parent company - likely to be readily available if it is based on a sound business plan - as parent company will want business to survive and increase its return on investment • Seek more money/investment from shareholders - new share issue could be linked to this type of major project - based on long-term loan and return over long period • Government backed business loan - may be available to support large capital projects that benefit large sectors of the population - a new terminal will create jobs and improve local economy so likely to be of interest to government <p>(Answers must be based on big money/long-term investment aspect of this major capital project)</p>	<p>1 mark for option (maximum 3 marks)</p> <p>or 1 mark for option + 1 mark for development or application to Mercia Airport Ltd. (maximum 2 marks)</p> <p style="text-align: right;">(3 marks)</p>

Question Number	Answer	Mark
<p>1(f)</p> <p>A01 MB1 = 1 MB2 = 1</p> <p>A02 MB1 = 1 MB2 = 1</p>	<p><u>Nita Stores</u> Anita does the books - and pays the wages – she is married to the owner which means that she has a personal interest in the finance of the business – this means that she is very careful to check that all the money is paid into the bank regularly</p> <p><u>Wrexam Distributors Ltd</u> George, the credit control manager, is responsible for debt collecting – he keeps a check on credit customers to make sure that they pay within standard terms/30 days of invoice being issued – after 30 days he organises a statement to be sent and telephones – if they have not paid after another 30 days he goes round to see them</p> <p><u>Tesco</u> The financial director reports to the board of directors about all things financial – such as income from sales, what’s been spent on wages, materials and overheads, how much profit has been made this month, etc. – he will be responsible for providing the financial data for the company’s annual report – and making sure that the financial data provided to Companies House is accurate</p>	<p>1 mark for generic knowledge (maximum 2 marks)</p> <p>1 mark for applying aspects of responsibility to chosen business (maximum 2 marks)</p> <p>(4 marks)</p>

Question Number	Answer	Mark
<p>1(g)</p> <p>AO1 MB1 = 1 MB2 = 1</p> <p>AO3 MB1 = 2 MB2 = 2</p>	<p><u>Morrisons Supermarket</u></p> <ul style="list-style-type: none"> The <i>Morrisons Supermarket</i> group has about 370 stores across the country with its head office in Bradford – all the promotional planning is done in the head office – this means that the managers of individual stores have to follow the promotional plans sent out from the head office – in some ways this is good because store managers do not have to think up their own ideas and do not have to organise their own printing etc. – once they get the pack of promotional material from the head office all the store manager has to do is display it – if they do not like the promotion there is nothing that they can do about it as the head office will check to see that each store is making good use of the promotional material that they have been sent. <p><u>Euronics</u></p> <ul style="list-style-type: none"> <i>Euronics</i> is a buying group that supplies its members who are independent electrical retailers – it negotiates with the manufacturers of electrical goods and uses the buying power of the group to get really good prices for its members – this means that members can compete on price with multiple stores like Comet – the disadvantage of this is that individual members can only stock televisions from brands that are willing to deal with <i>Euronics</i> – if a customer asks for another make the <i>Euronics</i> member may not be able to get it – this could make the customer shop elsewhere and the independent shop would lose the business 	<p>1 mark for features of centralised management policy (maximum 2 marks)</p> <p>1 mark for how centralised management policy affects chosen business day-to-day (maximum 4 marks)</p> <p>(6 marks)</p>

Question Number	Answer	Mark
<p>2(e)</p> <p>AO1 MB3 = 2</p> <p>AO4 MB1 = 3</p>	<ul style="list-style-type: none"> • Training/qualifications are offered by a national or international professional/trade organisation such as a Sector Skills Council (SSC) - they are designed to improve the skills and standard of service within the industry that they represent • If they employ qualified staff their image will improve • Can raise overall standard/quality of service • Can increase prices/profit if standards/quality of service is of a high standard • May mean that insurance costs can be lowered as they are employing more skilled drivers • Better/advanced qualified drivers less likely to be involved in accidents • Less likely to receive complaints from customers • It means that individual taxi firms do not have to develop their own training schemes/can use schemes offered by SSC 	<p>1 mark for understanding meaning of nationally recognised training schemes (may be implied) (maximum 2 marks)</p> <p>1 mark for each reason why nationally recognised training schemes will benefit taxi firms (maximum 3 marks)</p> <p>(5 marks)</p>

Question Number	Answer	Mark
2(f) AO2 MB1 = 2 AO2 MB1 = 4	<u>John Lewis</u> <ul style="list-style-type: none"> • Job title – this is so that employee can see where they fit in company hierarchy - shows potential for job advancement • Who employee is responsible to – confirms line of reporting in case of dispute – reduces potential conflict over who gives instruction to employee • Where job is located – essential to confirm where employee will be working – helps firm with HR management/gives stability to employee • What job entails/duties/responsibilities – sets basic parameter of job so that employee performance – so that compliance can be monitored • Hours of work/working terms/conditions – clarifies minimum requirement - can be used to monitor performance • Pay – confirms what employee should expect - reduces potential for disagreement/conflict 	<p>1 mark for common element of a job description (maximum 2 marks)</p> <p>1 mark for applying each distinct element of job description (maximum 4 marks)</p> <p>(6 marks)</p>

Question Number	Answer	Mark
2(g) AO2 MB1 = 4	<u>Receptionists at Kings Dental Practice</u> <ul style="list-style-type: none"> • Receptionist must be able to keep the appointment software up-to date • Likely to have had experience in another job that involved meeting and greeting customers • Will have a minimum of GCSE English and ICT • Must be clean, well presented and have a good speaking voice so that are reassured when they visit the dentist, often a stressful situation 	<p>1 mark for each distinct element of a person specification applied to having face-to-face dealings with customers</p> <p>(No generic marks)</p> <p>(4 marks)</p>

Question Number	Answer	Mark
<p>3(a)</p> <p>AO1 MB2 = 2</p> <p>AO2 MB3 = 4</p>	<p><u>Local residents</u></p> <ul style="list-style-type: none"> • Second runway will produce more flights – this is likely to be disrupt their life – create more noise – more environmental pollution – make life worse for residents • Land will be needed for second runway - may lose property through compulsory purchase – I likely to receive less for property than if sold on open market - even if property not compulsorily purchased value likely to fall as it is so close to a bigger airport – so directly affects personal wealth/ability to sell property • More passengers will want to use airport as a result of second runway – this will mean more people travelling to airport – brining an increase of vehicles to area – this will clog roads – making it less comfortable for local residents/more difficult for local journeys • More flights will affect the environment in a negative way – causing increased pollution in local environment – more breathing related health problems - more CO₂ produced - global environment affected by global warming <p><u>Local businesses</u></p> <ul style="list-style-type: none"> • Second runway will need to be built – also likely to need additional buildings/terminal – opportunity for local builders/contractors/suppliers – to provide goods/services during construction – potential to increase business during construction • More passengers will want to use airport as a result of second runway – this will mean more people travelling to airport – this means more passing trade for local shops/services – more opportunity for impulse purchases – overall business could increase 	<p>1 mark for general argument associated with each pressure group (maximum 2 marks)</p> <p>1 mark for application of argument to pressure group (maximum 4 marks)</p> <p style="text-align: right;">(6 marks)</p>

Question Number	Answer	Mark
3(b) AO2 MB1 = 2 MB2 = 2	<ul style="list-style-type: none"> • Psychological/basic needs – protests could close airport/restrict access/working hours which could lead to loss of wages which could result in problems paying for food/accommodation • Security/safety – having to go to work through protestors could threaten personal safety/job security could be threatened • Social/belongingness – airport workers seen as pariahs/work teams unsettled by protests/working environment no longer friendly place • Esteem – unable to please protestors/self esteem knocked by protests • Self actualisation – frustration/helplessness due to being unable to influence outcome of situation 	<p>1 mark for applying Maslow's hierarchy of needs to operational staff working at airport (maximum 2 marks)</p> <p>1 mark for applying to demotivation (maximum 2 marks)</p> <p>(4 marks)</p>

Question Number	Answer	Mark
3(c) AO1 MB2 = 2 MB3 = 2	<ul style="list-style-type: none"> • Offer to pay them more • Offer additional days off if they continue to work through protests • Give them gifts as a sign of thanks • Offer bonus for turning up • Threaten job security if they do not turn up • Bring in security to protect workforce 	<p>1 mark for each appropriate action</p> <p>(4 marks)</p>

Question Number	Answer	Mark
3(d)(i) AO1 MB1 = 1 MB2 = 2	<ul style="list-style-type: none"> • The Working Time Directive • European Working Time Directive • Working Time Regulations <p>(focus must be on time)</p> <ul style="list-style-type: none"> • Based on maintaining health and safety of workers/health and safety issues related to consequence of tiredness (but not basic health and safety facilities) • Provides a limit of an average of 8 hours work in 24 which night workers can be required to work. • Gives night workers a right to receive free health assessments. • Gives workers a right to 11 hours rest a day. • Gives workers a right to a day off each week. • Gives workers a right to an in-work rest break if the working day is longer than 6 hours. • Should not have to work more than 48 a week on average over a 17 week period. 	<p>1 mark for naming appropriate legislation</p> <p>1 mark for describing how legislation is designed to protect employees (maximum 2 marks)</p> <p style="text-align: right;">(3 marks)</p>

Question Number	Answer	Mark
3(d)(ii) AO2 MB1 = 2 MB2 = 1	<ul style="list-style-type: none"> • Enforcement - by the Health and Safety Executive/local authority environmental health departments - that are responsible for monitoring legislation and making sure that businesses abide by legislation • Business taken to industrial tribunal/court – to enforce workers’ rights – bad publicity and potential fine for business as well as being forced to apply legislation • Employees would be demotivated – output would fall – high levels of absenteeism 	<p>1 mark for general consequence (maximum 2 marks)</p> <p>1 mark for development or application to a business (maximum 2 marks)</p> <p style="text-align: right;">(3 marks)</p>

Question Number	Answer	Mark
<p>3(e)</p> <p>A01 MB1 = 1 MB2 = 1</p> <p>A02 MB1 = 1 MB2 = 1</p>	<p><u>Mc Donald's</u></p> <ul style="list-style-type: none"> • Training - Mc Donald's has in-house training schemes – once you are trained you can move up a level – this means that you get paid a bit more money • Promotion scheme - designed to show employees that they can move up through the business – this can happen if you become more skilled/qualified – through the use of company training schemes <p><u>John Lewis</u></p> <ul style="list-style-type: none"> • Escalating leave scheme – the longer you work for JLP the more leave you are entitled to – new employees get four weeks per year, rising to five weeks after three years - There are further long-service increases for most Partners after ten or fifteen years, and by the time you have worked for JLP for 25 years you can take 6 months paid leave 	<p>1 mark for ways of retaining employees (maximum 2 marks)</p> <p>1 mark for description (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p>

Question Number	Answer	Mark
<p>3(f)</p> <p>AO1 MB1 = 1</p> <p>AO2 MB1 = 1</p> <p>AO3 MB2 = 1 MB3 = 1</p> <p>AO4 MB1 = 2</p>	<p><u>Tesco, Hertford</u> Tesco applied for permission to open store 24 hours 7 days a week – this was likely to cause noise and disruption for local residents – company management called public meeting with local residents – reassured them that store would do all it could to minimise disruption – this included dimming lights in car park – employing security staff to keep an eye on customers and encourage them to keep the noise down when visiting store during the night.</p> <p><u>Jones Garage</u> Jones Garage produces a quantity of used and damaged tyres as a result of fitting new tyres for customers – consequent pile of old tyres is unsightly, a fire hazard and if piled too high could fall and injure employees/customers – Jones owner researched options for disposing of and/or recycling old tyres – as a result old tyres are now collected weekly to reduce the number on site at any one time – the old tyres are sent to a rubber recover business that processes old tyres into new product – by doing this Jones Garage has addressed both the local environment by removing old tyres and the wider environment by having waste materials re-processed/recycled into useful goods instead of using up new materials</p>	<p>1 mark for environmental issue (may be implied)</p> <p>1 mark for cause of environmental issue</p> <p>1 mark for what business has done (maximum 2 marks)</p> <p>1 mark for outcome (maximum 2 marks)</p> <p style="text-align: right;">(6 marks)</p>

Content area distribution

Question	Content area			
	1.1	1.2	1.3	1.4
1 a)	4			
1 b)	4			
1 c) i)	2			
1 c) ii)	4			
1 d)	3			
1 e)	3			
1 f)	4			
1 g)	6			
2 a) i)		1		
2 a) ii)		2		
2 b)		4		
2 c)		4		
2 d)		4		
2 e)		5		
2 f)		6		
2 g)		4		
3 a)				6
3 b)			4	0
3 c)			4	0
3 d) i)			3	0
3 d) ii)			3	0
3 e)			0	6
3 f)			4	
Marks	30	30	18	12
Target Marks	30	30	18	12

Question	AO1 Band equivalent			AO2 Band equivalent			AO3 Band equivalent			AO4 Band equivalent			Total Mark
	1	2	3	1	2	3	1	2	3	1	2	3	
1 a)	4	0	0	0	0	0	0	0	0	0	0	0	4
1 b)	0	0	0	0	2	0	0	0	2	0	0	0	4
1 c) i)	2	0	0	0	0	0	0	0	0	0	0	0	2
1 c) ii)	0	0	0	0	0	0	0	0	0	0	2	2	4
1 d)	1	2	0	0	0	0	0	0	0	0	0	0	3
1 e)	0	0	0	1	2	0	0	0	0	0	0	0	3
1 f)	1	1	0	1	1	0	0	0	0	0	0	0	4
1g)	1	1	0	0	0	0	2	2	0	0	0	0	6
2 a) i)	0	0	0	1	0	0	0	0	0	0	0	0	1
2 a) ii)	0	0	0	0	0	2	0	0	0	0	0	0	2
2 b)	0	0	2	0	0	0	2	0	0	0	0	0	4
2 c)	1	1	0	0	0	0	2	0	0	0	0	0	4
2 d)	2	0	0	0	0	0	0	1	1	0	0	0	4
2 e)	0	0	2	0	0	0	0	0	0	3	0	0	5
2 f)	3	0	0	3	0	0	0	0	0	0	0	0	6
2 g)	0	0	0	4	0	0	0	0	0	0	0	0	4
3 a)	0	2	0	0	0	4	0	0	0	0	0	0	6
3 b)	0	0	0	2	2	0	0	0	0	0	0	0	4
3 c)	0	2	2	0	0	0	0	0	0	0	0	0	4
3 d) i)	1	2	0	0	0	0	0	0	0	0	0	0	3
3 d) ii)	0	0	0	2	1	0	0	0	0	0	0	0	3
3 e)	1	1	0	1	1	0	0	0	0	0	0	0	4
3 f)	1	0	0	1	0	0	0	1	1	2	0	0	6
	18	12	6	16	9	6	6	4	4	5	2	2	90
Target Totals	18	12	6	16	9	6	6	4	4	5	2	2	90
	36			31			14			9			90

Analysis of paper

The overall target for each Assessment Objective is based on 40%, 35%, 15% and 10% as agreed for Unit 1, which, on a 90 mark paper, gives 36 marks for AO1; 31.5 (= 31) marks for AO2; 13.5 (= 14) marks for AO3; 9 marks for AO4.

MB level analysis:

MB1 18+16+6+5 = 45 (50%)

MB2 12+9+4+2 = 27 (30%)

MB3 6+6+4+2 = 18 (20%)

(Weightings as per Specimen Paper)