



## General Certificate of Secondary Education

# Business Studies 5131

*BUS2 People and Operations Management*

## Mark Scheme

### *2006 examination – June series*

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.

## **GENERAL MARKING GUIDANCE**

*You should remember that your marking standards should reflect the levels of performance of Advanced Subsidiary candidates, mainly 17 years old, writing under examination conditions. The level of demand of this unit is that expected of candidates half-way through a full A Level course.*

### **Positive Marking**

*You should be positive in your marking, giving credit for what is there rather than being too conscious of what is not. Do not deduct marks for irrelevant or incorrect answers as candidates penalise themselves in terms of the time they have spent.*

### **Mark Range**

*You should use the whole mark range available in the marking scheme. Where the candidate's response to a question is such that the mark scheme permits full marks to be awarded, full marks **must** be given. A perfect answer is not required. Conversely, if the candidate's answer does not deserve credit, then no marks should be given.*

### **The use of Levels of Response**

*Levels of response marking has holistic aspects, yet must conform to the rule of positive marking. A candidate who has built a strong argument must have that achievement recognised fully, even if a subsequent paragraph of ambiguity reduces the power of the whole. For this to occur consistently requires careful annotation of the level of response achieved within each skill category, at each significant stage within an answer.*

*Fundamental to a Levels of Response approach is that there may be more than one right answer to a written question. Examiners must use their professional judgement to credit any reasonable answer, whether or not it is listed on the mark scheme.*

*Levels of response marking requires examiners to follow the logic of a candidate's answer. A concept that would receive credit for knowledge in one context could become a means of analysis in another. It is also possible that a candidate's line of argument could validate knowledge that would not have been recognised if the candidate had simply tabled it. For example, acid test is not listed within the specification as a test of financial efficiency, yet a candidate could build an argument that made it relevant. Then knowledge could be rewarded as well as analysis.*

*Despite the value of skills such as analysis and evaluation, all answers must be based upon relevant knowledge and understanding. Therefore, it is not possible to credit application, analysis or evaluation unless recognisable knowledge has been rewarded.*

The skills we seek from candidates are as follows:

1. Knowledge and understanding: accurate definitions or explanations of relevant terms should always be credited within this category; candidates can also gain credit for knowing and explaining a point relevant to the question, eg an advantage of factoring.
2. Application is the skill of bringing knowledge to bear to the business context faced by the candidate. Candidates should not be rewarded for simply dropping the company name or product category into their answer; the response must show recognition of some specific business aspect of the firm, its management or its situation.
3. Analysis: building up an argument using relevant business theory in a way that answers the question specifically and shows understanding of cause and effect.
4. Evaluation is judgement. This can be shown within an answer, through the weighting of an argument or in the perceptiveness shown by the candidate (perhaps about the degree of crisis/strength of the XYZ Company). It can also be shown within a conclusion, perhaps by weighing up the strength of the candidate's own arguments for and against a proposition. Evaluation is **not** shown simply by the use of drilled phrases such as 'On the other hand' or 'Business operates in an ever-changing environment'. It is shown through the weighting of the candidate's response plus the logic and justification of his/her conclusions.

### **Quality of Language**

The GCSE and GCE A/AS Code of Practice requires the assessment of candidates' quality of written communication wherever they are required to write in continuous prose. In this unit, this assessment will take place for each candidate's script as a whole by means of the following marking criteria.

- LEVEL 3 Moderately complex ideas are expressed clearly and reasonably fluently, through well linked sentences and paragraphs. Arguments are generally relevant and well structured. There may be occasional errors of grammar, punctuation and spelling. **3 marks**
- LEVEL 2 Straightforward ideas are expressed clearly, if not always fluently. Sentences and paragraphs may not always be well connected. Arguments may sometimes stray from the point or be weakly presented. There may be some errors of grammar, punctuation and spelling, but not such as to suggest a weakness in these areas. **2 marks**
- LEVEL 1 Simple ideas are expressed clearly but arguments may be of doubtful relevance or obscurely presented. Errors in grammar, punctuation and spelling may be noticeable and intrusive, suggesting a weakness in these areas. **1 mark**

**Total 3 marks**

**1**

**Total for this question: 6 marks**

Explain **two** possible reasons why *S4U* implemented a **single status** policy in its first factory (Section C). (6 marks)

|                | <b>Content<br/>3 marks</b>   | <b>Application<br/>3 marks</b>   |
|----------------|--|--|
| <b>Level 2</b> | <b>3 marks</b><br>Clear explanation of the term <b>or</b> relevant reason(s), showing good understanding             | <b>3 marks</b><br>Effective application of the point(s) made in relation to <i>S4U</i> |
| <b>Level 1</b> | <b>2–1 marks</b><br>Some explanation of the term <b>or</b> relevant reason(s) identified, showing some understanding | <b>2–1 marks</b><br>Some application of the point(s) made in relation to <i>S4U</i>    |

**Definition: Single status is when there are no contractual differences in working conditions between employees at different levels within the organisation.**

**Content/Application – relevant points could include:**

- single status is an integral part of the ‘Theory Y’ approach adopted
- it emphasises the teamwork approach: ‘we’re all in this together’
- motivational benefits
- as a means to overcome the suspicion of the workforce resulting from the previous ‘Theory X’ management.

**2****Total for this question: 8 marks**

Using the data (**Table 2, Section D**), plus any other relevant material, analyse **two** possible reasons why efficiency fell when output increased from five hundred to eleven hundred pairs of shoes a month. *(8 marks)*

|                | <b>Content<br/>2 marks</b>  | <b>Application<br/>2 marks</b>  | <b>Analysis<br/>4 marks</b>                              |
|----------------|---|---|--|
| <b>Level 2</b> | <b>2 marks</b><br>Candidate identifies <b>two</b> valid reasons <b>or</b> explains <b>one</b> relevant reason | <b>2 marks</b><br>Relevant issue(s) are applied in detail to the case | <b>4–3 marks</b><br>Effective analysis of question set   |
| <b>Level 1</b> | <b>1 mark</b><br>Candidate identifies <b>one</b> relevant reason  | <b>1 mark</b><br>Some application to issue(s) in the case             | <b>2–1 marks</b><br>Limited analysis of the question set |

**Possible answers could include:**

- problems resulting from the factory becoming overcrowded
- production manager facing problems of communication and coordination
- staff are working longer hours and machinery is breaking down
- morale issues resulting from working longer hours could cause productivity and quality to suffer
- lack of spare capacity issues.

3

**Total for this question: 15 marks**

With reference to motivation theory, discuss the factors that could influence the level of motivation of the workforce at the Huddersfield factory (**Section C**), compared with the Leeds factory (**Section F**). (15 marks)

|                | <b>Content<br/>3 marks</b>   | <b>Application<br/>3 marks</b>                                    | <b>Analysis<br/>4 marks</b>  | <b>Evaluation<br/>5 marks</b>   |
|----------------|--|---|--|---|
| <b>Level 3</b> |  |   |  | <b>5 marks</b><br>Judgement shown in weighing up the arguments with clear conclusions |
| <b>Level 2</b> | <b>3 marks</b><br>Good understanding of motivation theory or relevant point(s) explained | <b>3 marks</b><br>Relevant issue(s) applied in detail to the case | <b>4–3 marks</b><br>Effective analysis of the question set using relevant theory | <b>4–3 marks</b><br>Judgement shown in weighing up the arguments                      |
| <b>Level 1</b> | <b>2–1 marks</b><br>Some understanding of motivation theory or relevant point(s) made    | <b>2–1 marks</b><br>Some application to issue(s) in the case      | <b>2–1 marks</b><br>Limited analysis of the question set                         | <b>2–1 marks</b><br>Some judgement shown in text or conclusions                       |

**Possible answers may include:**

- Maslow: social needs are being met at the Huddersfield factory through the emphasis on teamwork and single status  
Also esteem needs should be met as each employee is responsible for the entire production of each pair of shoes. The ‘Theory Y’ management approach would also improve workers self-esteem  
However, low pay and job insecurity may prevent physiological and security needs from being met
- Herzberg: ‘motivators’ are present resulting from nature of the work at the Huddersfield factory but some key ‘hygiene factors’, notably low pay and job insecurity, are absent
- In the Leeds factory the workers have better pay, security and conditions (Maslow – physiological and security needs, Herzberg – hygiene factors) but the business is more impersonal and the capital intensive production methods has made the work less interesting (Maslow – social and esteem needs, Herzberg – motivators).

**Evaluation could include:**

- a recognition that according to theory, Maslow’s lower needs or Herzberg’s hygiene factors have to be satisfied before workers can be motivated
- questioning of these theories – are workers motivated by the same factors?

**4****Total for this question: 6 marks**

Outline **two** possible reasons why Billy considered a matrix structure appropriate for the management of the project team (**Section E**). *(6 marks)*

|                | <b>Content<br/>3 marks</b>   | <b>Application<br/>3 marks</b>   |
|----------------|--|--|
| <b>Level 2</b> | <b>3 marks</b><br>Clear explanation of the term <b>or</b> relevant reason(s), showing good understanding             | <b>3 marks</b><br>Effective application of the point(s) made in relation to <i>S4U</i> |
| <b>Level 1</b> | <b>2–1 marks</b><br>Some explanation of the term <b>or</b> relevant reason(s) identified, showing some understanding | <b>2–1 marks</b><br>Some application of the point(s) made in relation to <i>S4U</i>    |

**Possible answers may include:**

- enables sharing of ideas from different functions
- improved decision making (this is a critical decision for the business)
- ensures all aspects of this new venture are considered
- enables easier communication
- each functional area should be committed to the idea.

5

**Total for this question: 15 marks**

*S4U* used time-based management techniques such as Just in Time (JIT) and simultaneous engineering in its Leeds factory (**Section F**). Discuss the arguments for **and** against the company using these techniques. (15 marks)

|                | <b>Content<br/>3 marks</b>  | <b>Application<br/>3 marks</b>                                    | <b>Analysis<br/>4 marks</b>  | <b>Evaluation<br/>5 marks</b>   |
|----------------|---|---|--|---|
| <b>Level 3</b> |   |   |  | <b>5 marks</b><br>Judgement shown in weighing up the arguments with clear conclusions |
| <b>Level 2</b> | <b>3 marks</b><br>Good understanding shown of time based management technique(s) or relevant point(s) explained | <b>3 marks</b><br>Relevant issue(s) applied in detail to the case | <b>4–3 marks</b><br>Effective analysis of the question set using relevant theory | <b>4–3 marks</b><br>Judgement shown in weighing up the arguments                      |
| <b>Level 1</b> | <b>2–1 marks</b><br>Some understanding of time based management technique(s) or relevant point(s) identified    | <b>2–1 marks</b><br>Some application to issue(s) in the case      | <b>2–1 marks</b><br>Limited analysis of the question set                         | <b>2–1 marks</b><br>Some judgement shown in text or conclusions                       |

**Definition: Time based management recognises the importance of the effective use of time as a resource.**

**Arguments for could include:**

- the use of JIT reduces stockholding costs, improves cash flow and enables *S4U* to return an order to a customer in three days
- simultaneous engineering enables quicker new product development (crucial in this type of market and a key objective for the business).

**But:**

- how reliant are suppliers?
- how reliable is the technology used to relay orders from the retailers database to the factory?
- human error – some workers may be demotivated due to the move to the new factory.

**Evaluative points could include:**

- does *S4U* possess the expertise and resources to use time based management techniques successfully?
- other factors such as product quality, effective marketing, sufficient finance, etc ... are equally important
- for this new venture to succeed it is crucial that time-based management techniques are implemented effectively.