

GCE A2
Business Studies

January 2010

Mark Schemes

Issued: April 2010

**NORTHERN IRELAND GENERAL CERTIFICATE OF SECONDARY EDUCATION (GCSE)
AND NORTHERN IRELAND GENERAL CERTIFICATE OF EDUCATION (GCE)**

MARK SCHEMES (2010)

Foreword

Introduction

Mark Schemes are published to assist teachers and students in their preparation for examinations. Through the mark schemes teachers and students will be able to see what examiners are looking for in response to questions and exactly where the marks have been awarded. The publishing of the mark schemes may help to show that examiners are not concerned about finding out what a student does not know but rather with rewarding students for what they do know.

The Purpose of Mark Schemes

Examination papers are set and revised by teams of examiners and revisers appointed by the Council. The teams of examiners and revisers include experienced teachers who are familiar with the level and standards expected of 16- and 18-year-old students in schools and colleges. The job of the examiners is to set the questions and the mark schemes; and the job of the revisers is to review the questions and mark schemes commenting on a large range of issues about which they must be satisfied before the question papers and mark schemes are finalised.

The questions and the mark schemes are developed in association with each other so that the issues of differentiation and positive achievement can be addressed right from the start. Mark schemes therefore are regarded as a part of an integral process which begins with the setting of questions and ends with the marking of the examination.

The main purpose of the mark scheme is to provide a uniform basis for the marking process so that all the markers are following exactly the same instructions and making the same judgements in so far as this is possible. Before marking begins a standardising meeting is held where all the markers are briefed using the mark scheme and samples of the students' work in the form of scripts. Consideration is also given at this stage to any comments on the operational papers received from teachers and their organisations. During this meeting, and up to and including the end of the marking, there is provision for amendments to be made to the mark scheme. What is published represents this final form of the mark scheme.

It is important to recognise that in some cases there may well be other correct responses which are equally acceptable to those published: the mark scheme can only cover those responses which emerged in the examination. There may also be instances where certain judgements may have to be left to the experience of the examiner, for example, where there is no absolute correct response – all teachers will be familiar with making such judgements.

The Council hopes that the mark schemes will be viewed and used in a constructive way as a further support to the teaching and learning processes.

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Rewarding Learning

ADVANCED

General Certificate of Education

January 2010

Business Studies

Assessment Unit A2 1

assessing

Modules 4 and 5

Objectives and the Business Environment,
People in Organisations, Accounting and Finance,
Marketing and Operations Management

[A2T11]

THURSDAY 21 JANUARY, AFTERNOON

**MARK
SCHEME**

General Marking Instructions

Introduction

This mark scheme is intended to ensure that the A2 examination is marked consistently and fairly. The mark scheme provides markers with an indication of the nature and range of candidate responses likely to be worthy of credit. It also sets out the criteria which they should apply in allocating marks to candidates' responses. The mark scheme should be read in conjunction with these general marking instructions which apply to all papers.

In marking the examination papers, examiners should be looking for a quality of response reflecting the level of maturity which may reasonably be expected of an 18-year-old which is the age at which the majority of candidates sit their GCE A2 examinations.

Positive Marking

Examiners are encouraged to be positive in their marking, giving appropriate credit for what candidates know, understand and can do rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected for a 18-year-old A2 candidate. Conversely, marks should only be awarded for valid responses and not given for an attempt which is completely incorrect or inappropriate.

Unanticipated Responses

The mark scheme is not intended to be totally prescriptive. For many questions, there may be a number of equally legitimate responses and different methods by which candidates may achieve good marks. No mark scheme can cover all the answers which candidates may produce. In the event of unanticipated answers, examiners are expected to use their professional judgement to assess the validity of answers. If an answer is particularly problematic, then examiners should seek the guidance of the Supervising Examiner.

Quality of Written Communication

Quality of written communication refers to candidates' ability to:

- select and use a form and style of writing appropriate to purpose and to complex subject matter;
- organise relevant material clearly and coherently using specialist vocabulary where appropriate;
- ensure writing is legible, with accurate use of spelling, punctuation and grammar in order to make meaning clear.

The assessment of questions which require candidates to respond in continuous prose takes account of the quality of candidates' written communication. These questions are indicated on the cover of the examination paper in the Information for Candidates.

Up to 5% of the total marks for the paper are available for the quality of written communication. After marking the paper, examiners are required to make a holistic judgement of candidates' quality of written communication across the paper as a whole. The following guidelines should be applied in making this judgement.

For (1)

The candidate makes only a limited attempt to select and use an appropriate form and style of writing. The organisation of material may lack clarity and coherence with little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

For (2)

The candidate makes a reasonable attempt to select and use an appropriate form and style of writing. Relevant material is organised with some clarity and coherence and there is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are sufficiently competent to make intended meaning evident.

For (3)

The candidate successfully selects and uses an appropriate form and style of writing. Relevant material is organised with a high degree of clarity and coherence and there is widespread use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a sufficiently high standard to make intended meaning absolutely clear.

1 (a) Explain briefly Herzberg's theory of motivation.

Herzberg's two factor theory

Herzberg's five factors stand out as strong determiners of job satisfaction.

1. Achievement
2. Recognition
3. The work itself
4. Responsibility
5. Advancement

Five major dissatisfiers (Hygiene factors) are:

1. Company policy and administration
2. Supervision (especially being over supervised)
3. Salary / pay
4. Interpersonal relations (with supervisor, peers or even customers).
5. Working conditions

Level 1 ([1]-[2])

Some knowledge and understanding of Herzberg's two factor theory is demonstrated. There is little attempt or no attempt at explanation or application to the context of Telesales plc. Quality of written communication is less than satisfactory.

Level 2 ([3])

Adequate knowledge and understanding of Herzberg's two factor theory is demonstrated. There is a reasonable attempt at explanation and application to the context of Telesales plc. Quality of written communication is satisfactory.

Level 3 ([4])

A thorough knowledge and understanding of Herzberg's two factor theory is demonstrated. There is good explanation and application to the context of Telesales plc. Quality of written communication is of a high standard.

For level 3, candidates must indicate knowledge of Hygiene factors. [4]

(b) Discuss the implications for employees of Ben Miller adopting a democratic style of leadership.

1. two-way communication
2. Involve workers in decisions
3. Encourage contribution
4. Delegate decision-making
5. Listen to ideas.
6. Workers will be motivated
7. Some employees may not want extra decision-making
8. Stressful

Level 1 ([1]-[2])

Some knowledge and understanding of the democratic style of leadership is demonstrated. There is little attempt or no attempt at explanation or application to the context of Telesales plc. Quality of written communication is less than satisfactory.

Level 2 ([3]-[5])

Adequate knowledge and understanding of democratic style of leadership is demonstrated. There is a reasonable attempt at explanation and application to the context of Telesales plc. Quality of written communication is satisfactory.

Level 3 ([6]-[8])

A thorough knowledge and understanding of democratic style of leadership is demonstrated. There is good explanation and application to the context of Telesales plc and apply the information to the nature of the business. Discussion of other styles will be given merit in relation to the analysis of democratic. Quality of written communication is of a high standard. [8]

(c) Evaluate the advantages and disadvantages of implementing a system of performance appraisal within Telesales plc.**Advantages of Appraisal:**

- Motivate employee performance
- Provide feedback on performance
- Recognise future training needs.
- Career development
- Identify potential promotion material
- Performance Appraisal is the appraisal of an employee's performance in a way that ensures the output of an employee matches the expectations of the organisation.
- This requires a proactive approach to the appraisal of the employee, in order that agreed targets can be set and analysed on a pre-determined basis. Often this performance may be linked to pay structure and bonuses.

Disadvantages of Appraisal:

- Takes up valuable management time
- Can add to the costs of Human Resource Management
- Employees may see it as futile unless they benefit financially or praised in some way.
- Depends upon the opinion of a manager, very subjective.

Level 1 ([1]-[6])

Some knowledge and understanding of the advantages and disadvantages of appraisals on businesses such as Telesales plc. Up to two effects are fully examined, or the candidate mentions more without adequate explanation. There is little application to the context of the stimulus. There is little attempt to analyse or evaluate the arguments considered. Quality of written communication is limited.

Level 2 ([7]-[12])

Adequate knowledge and understanding of the advantages and disadvantages of appraisals on Telesales plc and related businesses. Up to three/four effects are fully explained, or the candidate mentions more with a lesser degree of explanation. There is some attempt to apply these to the context of the stimulus. There is some attempt made to analyse and evaluate the arguments considered. Quality of written communication is satisfactory.

Level 3 ([13]-[18])

Good knowledge and understanding of the advantages and disadvantages of appraisals have on Telesales plc and related businesses. At least five effects are fully examined, or the candidate mentions more with a lesser degree of explanation. The arguments are well applied to the context of the stimulus. They are thoroughly analysed and there is a comprehensive evaluation leading to a final judgement. This judgement should be consistent with the weight of evidence considered. Quality of written communication is of a high standard. [18]

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2 (a) Explain two reasons why a firm such as Primark markets internationally.

- To avoid the risks of operating in a single market.
- To take advantage of economies of scale and increasing profits
- To increase market share
- A need to compete against international firms in order to safeguard domestic markets

Level 1 ([1]-[2])

Some knowledge and understanding of Chains of command and distribution is demonstrated. There is little attempt or no attempt at explanation or application to the context of Primark. Quality of written communication is less than satisfactory.

Level 2 ([3])

Adequate knowledge and understanding of Chains of command and distribution is demonstrated. There is a reasonable attempt at explanation and application to the context of Primark. Quality of written communication is satisfactory.

Level 3 ([4])

A thorough knowledge and understanding of Chains of command and distribution is demonstrated. There is good explanation and application to the context of Primark. Quality of written communication is of a high standard. [4]

(b) Discuss the benefits to Primark of implementing an ethical trading policy.

Ethics: the moral principles that should underpin decision making.

Advantages:

- Consumers and the general public expect companies to behave ethically. They will demand products from ethically sound companies.
- Can give a clear competitive advantage on which marketing activities can be based.

- Gives them a USP and base their marketing campaigns on these perceived differences.
- Increased sales
- Firms that adopt ethical practices may also experience benefits in relation to their workforce. They may expect to recruit staff who are better qualified and motivated.
- Employees can be expected to respond positively to working for a business with a positive ethical image and this can lead to greater competition for employment with such companies.
- Employees may be less likely to leave.
- Employment costs incurred by the business could be reduced.
- Environmental issues.
- Better relationship with supplies.

Level 1 ([1]-[2])

Some knowledge and understanding of the ethical policy is demonstrated. There is little attempt or no attempt at explanation or application to the context of Primark. Quality of written communication is less than satisfactory.

Level 2 ([3]-[5])

Adequate knowledge and understanding of ethical policy is demonstrated. There is a reasonable attempt at explanation and application to the context of Primark. Quality of written communication is satisfactory.

Level 3 ([6]-[8])

A thorough knowledge and understanding of ethical policy is demonstrated. There is good explanation and application to the context of Primark and apply the information to the nature of the business. Discussion of social responsibility will be given merit in relation to the analysis of ethics. Quality of written communication is of a high standard. [8]

(c) Evaluate the extent to which Primark might benefit from using the Internet to market its products.

Advantages:

- Lower transaction costs, e.g. less staff
- Primark will gain increased information about its customers when they register on the website.
- Increased revenue/sales
- More efficient way to recruit new staff
- Increased profit for Primark
- Primark will have the possibility of trading in a global market with the services that they offer to the general public available 24/7
- Primark will benefit from increased customer interactions with the facilities that they have on offer.
- Primark could inform customers by Newsletter or e-mail of any new promotions or new products
- Customer service- making Primark more efficient

Disadvantages:

- The cost of setting up a secure site for buying online
- Need for additional staff and training
- Lack of resources – particularly capital to finance the use of the Internet
- Fear of security and as a consequence bad publicity.

Level 1 ([1]-[6])

Some knowledge and understanding of the effect of the Internet on businesses such as Primark. Up to two effects are fully examined, or the candidate mentions more without adequate explanation. There is little application to the context of the stimulus. There is little attempt to analyse or evaluate the arguments considered. Quality of written communication is limited.

Level 2 ([7]-[12])

Adequate knowledge and understanding of the effect of the Internet on Primark and related businesses. Up to three/four effects are fully explained, or the candidate mentions more with a lesser degree of explanation. There is some attempt to apply these to the context of the stimulus. There is some attempt made to analyse and evaluate the arguments considered. Quality of written communication is satisfactory.

Level 3 ([13]-[18])

Good knowledge and understanding of the effects of the Internet have on Primark and related businesses. At least five effects are fully examined, or the candidate mentions more with a lesser degree of explanation. The arguments are well applied to the context of the stimulus. They are thoroughly analysed and there is a comprehensive evaluation leading to a final judgement. This judgement should be consistent with the weight of evidence considered. Quality of written communication is of a high standard. [18]

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3 (a) Explain why Boyle's Clothing Ltd should carry out investment appraisal.

- It aids decision-making
- Investigates the expected financial consequences of an investment
- Assists Boyle's clothing Ltd in its choices.

Level 1 ([1]-[2])

Some knowledge and understanding of investment appraisal is demonstrated. There is little attempt or no attempt at explanation or application to the context of Boyle's Clothing Ltd. Quality of written communication is less than satisfactory.

Level 2 ([3])

Adequate knowledge and understanding of investment appraisal is demonstrated. There is a reasonable attempt at explanation and application to the context of Boyle's Clothing Ltd. Quality of written communication is satisfactory.

Level 3 ([4])

A thorough knowledge and understanding of investment appraisal is demonstrated. There is good explanation and application to the context of Boyle's Clothing Ltd. Quality of written communication is of a high standard.

[4]

(b) (i) Calculate the payback period for both machines, and

- Machine A Payback 3 years and 9 months
- Machine B Payback 2 years

(ii) Analyse the results obtained.

- Machine B should be chosen because the initial outlay is repaid quicker.
- Firms want as short a payback as possible
- However, it does not take into account the cash flows after payback
- Other qualitative factors should be discussed

Level 1 ([1]-[2])

Some knowledge and understanding of Payback is demonstrated. There is little attempt or no attempt at explanation or application to the context of Boyle's Clothing Ltd. Quality of written communication is less than satisfactory.

Level 2 ([3]-[5])

Adequate knowledge and understanding of Payback is demonstrated. There is a reasonable attempt at explanation and application to the context of Boyle's Clothing Ltd. Quality of written communication is satisfactory.

Level 3 ([6]-[8])

A thorough knowledge and understanding of Payback is demonstrated. There is good explanation and application to the context of Boyle's Clothing Ltd and applies the information to the nature of the business. Discussion of other styles will be given merit in relation to the analysis of democratic. Quality of written communication is of a high standard.

[8]

(c) Evaluate the usefulness of Net Present Value as a method of investment appraisal to a business such as Boyle's Clothing Ltd.

Net Present Value (NPV): the net return on an investment when all revenues and costs have been converted to their current worth.

Advantages

- Realistic/takes into account the time value of money
- Takes all cash flows into consideration, unlike the payback method.
- Easier to calculate with new computer software.
- As sums of money far into the future are discounted more heavily, this approach reduces the importance of long-term estimates.
- NPV helps to make the conclusions more accurate.

Disadvantages:

- Discount rate may fluctuate in the future/hard to predict.
- Difficult to be sure of future cash flows.
- Does not consider different degrees of risk between projects.
- Project costs differ greatly in this situation making a comparison difficult.
- Meaning a result can be easily misunderstood.
- Does not consider impact of each project on staff within the business.
- Does not take account of ethical decisions.
- Does not consider the effect on the cash flow of the business.
- Time consuming and difficult to calculate.
- The calculation of NPV is based on an arbitrary choice of percentage discount rate.

Final Judgement**Level 1 ([1]-[6])**

Some knowledge and understanding of the effect of NPV on businesses such as Boyle's Clothing Ltd. Up to two effects are fully examined, or the candidate mentions more without adequate explanation. There is little application to the context of the stimulus. There is little attempt to analyse or evaluate the arguments considered. Quality of written communication is limited.

Level 2 ([7]-[12])

Adequate knowledge and understanding of the effect of NPV on Boyle's Clothing Ltd and related businesses. Up to three/four effects are fully explained, or the candidate mentions more with a lesser degree of explanation. There is some attempt to apply these to the context of the stimulus. There is some attempt made to analyse and evaluate the arguments considered. Quality of written communication is satisfactory.

Level 3 ([13]-[18])

Good knowledge and understanding of the effects of NPV have on Boyle's Clothing Ltd and related businesses. At least five effects are fully examined, or the candidate mentions more with a lesser degree of explanation. The arguments are well applied to the context of the stimulus. They are thoroughly analysed and there is a comprehensive evaluation leading to a final judgement. This judgement should be consistent with the weight of evidence considered. Quality of written communication is of a high standard. [18]

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4 (a) Explain two functions of a trade union.

1. Negotiation or Collective Bargaining – where union representatives in a particular organisation discuss with management the issues that affect employees working in that organisation
2. Representation – represent individual / union members when they have problems at work. If they feel they are being unfairly treated, they can ask the trade union representative to help sort out their difficulties.

Level 1 ([1]-[2])

Some knowledge and understanding of functions of trade unions is demonstrated. There is little attempt or no attempt at explanation or application to the context of Opel and Vauxhall. Quality of written communication is less than satisfactory.

Level 2 ([3])

Adequate knowledge and understanding of functions of trade unions is demonstrated. There is a reasonable attempt at explanation and application to the context of Opel and Vauxhall. Quality of written communication is satisfactory.

Level 3 ([4])

A thorough knowledge and understanding of functions of trade unions is demonstrated. There is good explanation and application to the context of Opel and Vauxhall. Quality of written communication is of a high standard. [4]

(b) With reference to the case study discuss how the objectives of Vauxhall stakeholders might be in conflict.

Owners – General Motors wanted to sell the Opel and Vauxhall companies

Government – want to keep jobs within the UK

Employees – the UK employees want to keep their jobs

Managers – the UK managers would want to keep production in the UK in order to secure their jobs.

Shareholders – will always want whatever yields a better dividend.

Public – they may want to buy more British made cars in order to keep the workers in a job.

Trade Unions – Would represent their members and negotiate to ensure their jobs were safe.

Level 1 ([1]- [2])

Some knowledge and understanding of the various stakeholder objectives and how they conflict is demonstrated. There is little attempt or no attempt at explanation or application to the context of Vauxhall. Quality of written communication is less than satisfactory.

Level 2 ([3]-[5])

Adequate knowledge and understanding of various stakeholder objectives and how they conflict is demonstrated. There is a reasonable attempt at explanation and application to the context of Vauxhall. Quality of written communication is satisfactory.

Level 3 ([6]-[8])

A thorough knowledge and understanding of various stakeholder objectives and how they conflict is demonstrated. There is good explanation and application to the context of Vauxhall and apply the information to the nature of the business. Quality of written communication is of a high standard. [8]

(c) Evaluate the advantages and disadvantages of UK membership of the EU for a business such as Vauxhall.

Advantages:

- Lack of internal trade barriers will help it to keep prices down.
- Dealing with a single currency, the Euro will simplify transactions.
- Vauxhall can buy raw materials from within the Euro zone without any concerns over currency fluctuations.
- The car industries can employ labour easily from member states.
- Germany is centrally located within the EU.
- Size of potential market
- Can avoid tariffs.
- More competition may lead to improved efficiency and therefore lower costs.
- More intense competition can encourage innovation.
- Economies of scale as a result of increased market size.

Disadvantages:

- The common external tariff might mean that goods are more expensive than they were before.
- Increase in legislation
- There is increased competition both in Europe and the domestic market.
- Labour and capital may be attracted to other European countries.
- The UK is not part of the Euro and therefore makes accurate calculations on costings difficult.
- Firms may need to adopt their marketing strategies to suit the needs of consumers in each country.

Level 1 ([1]-[6])

Some knowledge and understanding of the effect of the EU on businesses such as Vauxhall. Up to two effects are fully examined, or the candidate mentions more without adequate explanation. There is little application to the context of the stimulus. There is little attempt to analyse or evaluate the arguments considered. Quality of written communication is limited.

Level 2 ([7]-[12])

Adequate knowledge and understanding of the effect of the EU on Vauxhall and related businesses. Up to three/four effects are fully explained, or the candidate mentions more with a lesser degree of explanation. There is some attempt to apply these to the context of the stimulus. There is some attempt made to analyse and evaluate the arguments considered. Quality of written communication is satisfactory.

Level 3 ([13]-[18])

Good knowledge and understanding of the effects of the EU have on Vauxhall and related businesses. At least five effects are fully examined, or the candidate mentions more with a lesser degree of explanation. The arguments are well applied to the context of the stimulus. They are thoroughly analysed and there is a comprehensive evaluation leading to a final judgement. This judgement should be consistent with the weight of evidence considered. Quality of written communication is of a high standard. [18]

Total

**AVAILABLE
MARKS**

30

60



Rewarding Learning

ADVANCED

General Certificate of Education

January 2010

Business Studies

Assessment Unit A2 2

assessing

Modules 1 to 5

Objectives and the Business Environment,
People in Organisations, Accounting and Finance,
Marketing and Operations Management

[A2T21]

MONDAY 25 JANUARY, AFTERNOON

**MARK
SCHEME**

General Marking Instructions

Mark schemes are intended to ensure that the AS examination is marked consistently and fairly. The mark scheme provides markers with an indication of the nature and range of candidate responses likely to be worthy of credit. It also sets out the criteria which they should apply in allocating marks to candidates' responses. The mark scheme should be read in conjunction with these general marking instructions which apply to all papers.

Quality of Candidates' Responses

In marking the examination papers, examiners will be looking for a quality of response reflecting the level of maturity which may reasonably be expected of an 18-year-old which is the age at which the majority of candidates sit their AS examinations.

Unanticipated Responses

The mark schemes which accompany the specimen examination papers are not intended to be totally prescriptive. For many questions, there may be a number of equally legitimate responses and different methods by which the candidates may achieve good marks. No mark scheme can cover all the answers which candidates may produce. In the event of unanticipated answers, examiners are expected to use their professional judgement to assess the validity of answers and to refer for guidance to the general descriptions of levels of response given in the general marking criteria that follow. If an answer is particularly problematic, then examiners should seek the guidance of the Supervising Examiner for the paper concerned.

Positive Marking

Examiners are encouraged to be positive in their marking, giving appropriate credit for valid responses rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected for a 17-year-old A2 candidate. Conversely, marks should only be awarded for valid responses and not given for an attempt which is completely incorrect or inappropriate.

Types of Mark Schemes

Mark Schemes for questions which require candidates to respond in extended written form are marked on the basis of levels of response which take account of the quality of written communication. These questions are indicated on the cover of the examination paper. Other questions which require only short answers are marked on a point for point basis with marks awarded for each valid piece of information provided.

Marking Calculations

In marking answers involving calculations, examiners should apply the 'own figure rule' so that candidates are not penalised more than once for a computational error.

Quality of Written Communication

Quality of written communication is taken into account in assessing candidates' responses to all questions that require them to respond in extended written form. These questions are marked on the basis of levels of response. The description for each level of response includes reference to the quality of written communication. Where the quality of candidates' business knowledge, understanding and skills is not matched by the quality of written communication, marks awarded will not exceed the maximum for Level 2.

Levels of Response

General descriptions of levels of response in terms of each assessment objective and the quality of written communication are given in the following table. These descriptions are intended to assist examiners in judging candidates' performance when they produce answers unanticipated by the detailed mark scheme for each question and to provide guidelines for examiners in assessing the appropriate level of response in respect of the quality of written communication.

The detailed mark schemes for each question relate these levels of response to the content of the relevant question. In deciding on the appropriate level of response for a candidates' answer, examiners should look for the "best fit". The level awarded will depend in practice upon the extent to which the candidate has met the relevant assessment objectives overall. Shortcomings in some areas may be balanced by better performance in others. In deciding which mark within a particular level to award any response, examiners are expected to use their professional judgement. The following guidance is provided to assist examiners:

Threshold performance: Response which just merits inclusion in this level and should be awarded a mark at or near the bottom of the range.

Intermediate performance: Response which clearly merits inclusion in the level and should be awarded a mark at or near the middle of the range.

High performance: Response which fully satisfies the level description and should be awarded a mark at or near the top of the range.

General Marking Criteria

Level of performance	Assessment objective	AO1 Knowledge and Understanding	A02 Application	A03 Analysis	A04 Evaluation and judgement
Level 1	Demonstrates knowledge and understanding of some relevant business theory and concepts.	Shows some ability to apply knowledge and understanding and makes some use of numerical and non-numerical techniques.	Shows some ability to analyse familiar and unfamiliar situations, problems and issues.	Evaluation of evidence and arguments is limited.	
Level 2	Demonstrates knowledge and critical understanding of a range of relevant business theory and concepts.	Applies knowledge and understanding and uses numerical and nonnumerical techniques.	Analyses familiar and unfamiliar situations, problems and issues.	Evaluates evidence and arguments to present reasoned conclusions.	
Level 3	Demonstrates in-depth knowledge and critical understanding of a wide range of relevant business theory and concepts.	Applies knowledge and understanding and uses appropriate numerical and non-numerical techniques with accuracy.	Effectively analyses familiar and unfamiliar situations, problems and issues.	Effectively evaluates evidence and arguments, making reasoned judgements to present appropriate and supported conclusions.	

Quality of Written Communication: Makes only a limited attempt to select and use an appropriate form and style of writing. Organisation of material may lack clarity and coherence with little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

Quality of Written Communication: Makes a reasonable attempt to select and use an appropriate form and style of writing. Relevant material is organised with some clarity and coherence and there is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are sufficiently competent to make meaning evident.

Quality of Written Communication: Successfully selects and uses an appropriate form and style of writing. Relevant material is organised with a high degree of clarity and coherence and there is widespread use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a sufficiently high standard to make meaning absolutely clear.

1 Evaluate the use of Kellogg's K Values as a strategy for motivating employees.

Positive

- Using K Values help staff to focus on the objectives of the firm and because they are 'shared values' one can assume a high level of commitment and loyalty amongst staff.
- It is important for a firm such as Kellogg's to have a framework to motivate staff and provide opportunities for managers to set targets that give workers good job satisfaction.
- The K Values are accepted and practiced by personnel at all levels in the organisation resulting in low levels of absenteeism and labour turnover thus leading to more productivity and profit.
- The K Values reflect the research theory outlined in Maslow's Hierarchy of Needs eg. Physical needs - 'promote a positive energising optimistic and fun environment. Affiliation Needs - 'actively engage in discussion and support decisions once they are made, 'personally commit to the success and wellbeing of team mates'. Self-Actualisations needs - 'promote and implement creative and innovative ideas,
- The K Values also suggests that management adopt a Mc Gregor's Theory Y approach to employees and assumes that they are responsible, committed and enjoy having control over work. Eg. 'have a 'can do' attitude,' 'make people feel valued and appreciated', 'personally commit to continued improvement and are willing to change'.
- The K Values contain many of Herzberg's Motivators ie Sense of achievement, Recognition and the Nature of the job itself. In paragraph 2 egs 'achieve results and celebrate success when we do', 'help people to be their best by providing coaching and feedback.
- The K Values provide opportunities for greater job satisfaction.
- The K Values are used as the basis for staff appraisal reviews so workers know and understand Kellogg's expectations of them from the outset.

Negative

- It takes time and money to embed these values throughout the organisation. This may prove costly for a large organisation such as Kelloggs.
- Shareholders may not consider this strategy 'value for money' and may seek investment opportunities elsewhere.
- Monitoring and evaluating the K Values can also be costly and difficult given the diversity of the organisation.
- The K Values assume that all staff are Theory 'Y' workers when really this may not be the case.

Final Judgement

Kellogg's K Values, as a motivation strategy, is obviously working as the company is the market leader in cereals and is successfully operating in 19 countries across the world. However, there is always room for improvement as market conditions change and Kellogg's should continue to monitor and review the situation in the light of these changes.

Level 1 ([1]-[6])

Some knowledge and understanding of various aspects of using Kellogg's K Values as a motivation strategy and this is applied to the stimulus. Up to 3 points are considered. There is little attempt to analyse or evaluate the Kellogg's K Values as an appropriate motivation strategy and the quality of written communication is limited.

Level 2 ([7]-[13])

Adequate knowledge and understanding of positive and negative aspects of using Kellogg's K Values as a motivation strategy is present. There is a reasonably good attempt to apply this to the stimulus. Up to 5 points are considered and some attempt is made to analyse and evaluate the K Values as an appropriate strategy. The quality of written communication is satisfactory.

Level 3 ([14]-[20])

Good knowledge and understanding of the positive and negative aspects of using Kellogg's K Values as a motivation strategy. Appropriate application is made to the stimulus and at least 6 points are considered. There is a thorough analysis and evaluation of the strategy and reference made to motivational theorists. A final judgement is made in relation to the appropriateness of the strategy and the weight of the evidence is consistent with his/her answer. The quality of written communication is of a high standard. For Level 3 both positive and negative points must be considered.

[20]

20

2 Evaluate the implications of Kellogg's responsible marketing strategy.**Positive**

- Kellogg's responsible marketing strategy is consistent with the organisation's corporate objectives as stated in paragraph 3.
 - Kellogg's is seen as a market leader and its responsible marketing strategy reflects the change in its external environment eg Government's view on the need for a healthier lifestyle ie the printing of GDAs on packaging.
 - Kellogg's promotions support the Government strategy on health and wellbeing in the UK and other countries across the developed world and so it is seen as behaving in a socially responsible way.
 - Linking healthy eating with its fitness promotion ie Special K Step Challenge and All-Bran, enhances the firm's reputation and may attract more investment.
 - Kellogg's responsible advertisements support family values and encourages parents to accept responsibility for their children's health rather than the Government imposing legislation.
 - The responsible marketing promotions can in fact contribute to reducing the problem of obesity and thus lowering the costs to the National Health Service.
 - Kellogg's can increase brand loyalty, increase sales and market share even further.
 - Kellogg's adherence to the Of Com Code on advertising to children can attract new customers and give the firm a competitive edge.
- Through its responsible marketing strategy Kellogg's may encourage existing customers to use more of its products because of their nutritional value.

Negative

- The money spent on research and development of new products with less sugar/fat may not be cost efficient and eat into profit margins.
- This might prove unpopular with shareholders who will seek more profitable investments elsewhere.
- It could be argued that Kellogg's responsible marketing strategy is merely an attempt to increase sales rather than a genuine concern for health and wellbeing.
- Cultural differences may offset some of the advantages of the responsible marketing strategy eg language
- The TV promotion of 'a happy family' sitting together at breakfast is quite often unrealistic and possibly misleading in modern society.

Final Judgement

Kellogg's responsible marketing strategy is successful and there is a growing market among ethical customers who may for example only purchase from or invest in companies who adopt such principles.

Level 1 ([1]-[10])

Some knowledge and understanding of positive and negative aspects of having a responsible marketing strategy and this is applied to the stimulus. Up to 3 points are considered. There is little attempt to analyse or evaluate the implications of having a responsible marketing strategy and quality of written communication is limited.

Level 2 ([11]-[20])

Adequate knowledge and understanding of positive and negative aspects of having a responsible marketing strategy is present. There is a reasonably good attempt to apply this to the stimulus. Up to 5 points are considered and some attempt is made to analyse and evaluate the implications of the marketing strategy. The quality of written communication is satisfactory.

Level 3 ([21]-[30])

Good knowledge and understanding of the positive and negative aspects of having a responsible marketing strategy is considered. Appropriate application is made to the stimulus and at least 6 points are considered. There is a thorough analysis and evaluation of the implications of Kellogg's having a responsible marketing strategy. A final judgement is made in relation to the appropriateness of the strategy and the weight of the evidence is consistent with his/her answer. The quality of written communication is of a high standard. For Level 3 both positive and negative points must be considered. [30]

30

- 3 Kellogg's aim to be the 'employer of choice in the communities in which it operates' (paragraph 6). Evaluate strategies used to achieve this.

Positive

- Kellogg's 'demonstrate a commitment to integrity and ethics' (para.2) by showing a genuine interest in the development of its staff. New recruits receive a customised induction based of the shared Kellogg's K Values.
- These shared values are at the core of the organisation and as stated in paragraph 3, 'we act with integrity and show respect for and value all individuals for their diverse backgrounds, experience, style, approaches and ideas'.
- Kellogg's offers various initiatives that permit workers to perform at the highest level yet enjoy an appropriate life/work balance (para.7). Such initiatives 'make people feel valued and appreciated'.
- Such initiatives will create greater job satisfaction and reduce the costs associated with labour turnover, recruitment and training. Kellogg's is committed to providing a safe and healthy work environment as witnessed by its Recordable Injury Rate which is 47% below the food industry average.
- Kellogg's also recognises the importance of encouraging personal responsibility for the safety of oneself and fellow workers. Kellogg's actively encourage diversity and inclusion in the workplace and has set up a Global Leadership Team to organise diversity and training programmes for employees throughout the organisation.
- Kellogg's monitor labour standards and procedures in all its plants through its own Global Code of Ethics. In addition it insists that suppliers comply with
- Kellogg's own Code of Conduct for Manufacturing.
- Kellogg's is in a very strong position to gain a competitive edge through its ethical practices thus attracting the most productive workers across the globe.

Negative

- The money spent on inclusion and diversity training around the world could be invested in a more profitable way that would generate a greater return for shareholders. This would encourage potential investors for the future.
- Spending on initiatives such as life/work balance, physical fitness etc might be considered wasteful by some stakeholders particularly during the current economic climate.
- Establishing consistency in labour standards and procedures could prove difficult given the scale of the organisation.
- It could be argued that ethical practices are simply a marketing ploy to enhance the reputation of the firm.

Final Judgement

Kellogg's ethical practices will attract top candidates across the world into its business and this will make it easier for them to achieve their objectives. The organisation has demonstrated its intent to establish and maintain a diverse and inclusive through its Code of Ethics and Manufacturing. This is likely to attract investment from the more ethically minded investors.

Level 1 ([1]-[10])

Some knowledge and understanding of positive and negative aspects of having an ethical strategy and this is applied to the stimulus. Up to 3 points are considered. There is little attempt to analyse or evaluate the implications of having a strategy to be ‘an employer of choice’. The quality of written communication is limited.

Level 2 ([11]-[20])

Adequate knowledge and understanding of positive and negative aspects of having an ethical strategy is present. There is a reasonably good attempt to apply this to the stimulus. Up to 5 points are considered and some attempt is made to analyse and evaluate the positive and negative aspects of the ethical strategy. The quality of written communication is satisfactory.

Level 3 ([21]-[30])

Good knowledge and understanding of the positive and negative aspects of having an ethical strategy is considered. Appropriate application is made to the stimulus and at least 6 points are considered. There is a thorough analysis and evaluation of the positive and negative aspects of having an ethical strategy. A final judgement is made in relation to the appropriateness of the strategy and the weight of the evidence is consistent with his/her answer. The quality of written communication is of a high standard. For Level 3 both positive and negative points must be considered.

[30]

30

Total

80



Rewarding Learning

ADVANCED

General Certificate of Education

January 2010

Business Studies

Assessment Unit A2 3e

assessing

Modules 1 to 5

Objectives and the Business Environment,
People in Organisations, Accounting and Finance,
Marketing and Operations Management

[A2T51]

MONDAY 1 FEBRUARY, AFTERNOON

**MARK
SCHEME**

General Marking Instructions

This mark scheme is intended to ensure that the A2 examination is marked consistently and fairly. The mark scheme provides markers with an indication of the nature and range of candidate responses likely to be worthy of credit. It also sets out the criteria which they should apply in allocating marks to candidates' responses. The mark scheme should be read in conjunction with these general marking instructions which apply to all papers.

In marking the examination papers, examiners should be looking for a quality of response reflecting the level of maturity which may reasonably be expected of an 18-year-old which is the age at which the majority of candidates sit their GCE A2 examinations.

Positive Marking

Examiners are encouraged to be positive in their marking, giving appropriate credit for what candidates know, understand and can do rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected of an 18-year-old A2 candidate. Conversely, marks should only be awarded for valid responses and not given for an attempt which is completely incorrect or inappropriate.

Unanticipated Responses

The mark scheme is not intended to be totally prescriptive. For many questions, there may be a number of equally legitimate responses and different methods by which candidates may achieve good marks. No mark scheme can cover all the answers which candidates may produce. In the event of unanticipated answers, examiners are expected to use their professional judgement to assess the validity of answers. If an answer is particularly problematic, then examiners should seek the guidance of the Supervising Examiner.

Quality of Written Communication

Quality of written communication refers to candidates' ability to:

- select and use a form and style of writing appropriate to purpose and to complex subject matter;
- organise relevant material clearly and coherently using specialist vocabulary where appropriate;
- ensure writing is legible, with accurate use of spelling, punctuation and grammar in order to make meaning clear.

The assessment of questions which require candidates to respond in continuous prose takes account of the quality of candidates' written communication. These questions are indicated on the cover of the examination paper in the Information for Candidates.

Up to 5% of the total marks for the paper are available for the quality of written communication. After marking the paper, examiners are required to make a holistic judgement of candidates' quality of written communication across the paper as a whole. The following guidelines should be applied in making this judgement.

For (1)

The candidate makes only a limited attempt to select and use an appropriate form and style of writing. The organisation of material may lack clarity and coherence with little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

For (2)

The candidate makes a reasonable attempt to select and use an appropriate form and style of writing. Relevant material is organised with some clarity and coherence and there is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are sufficiently competent to make intended meaning evident.

For (3)

The candidate successfully selects and uses an appropriate form and style of writing. Relevant material is organised with a high degree of clarity and coherence and there is widespread use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a sufficiently high standard to make intended meaning absolutely clear.

Global Warming in Northern Ireland – Take further action or ignore it?**AO1 – Demonstrate knowledge and understanding**

12 – 10	Comprehensive knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format.
9 – 7	Good knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format.
6 – 4	Some knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format.
3 – 0	Little knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format.

Candidates cannot achieve the top band if the report is not in the correct format.

Correct format should be:

Title – Green Transport – The Way Forward

Aim – The aim of the report is to evaluate whether Tymberland PLC should go ahead with the proposal

Introduction – should set the scene by briefly discussing what Global Warming is and why it has become important. The importance of Global warming to a company such as Tymberland should be discussed.

Analysis and discussion of findings – should analyse the impact of introducing an environmentally friendly transport policy on Tymberland’s stakeholders.

Conclusions / Evaluation – evaluate whether Tymberland PLC should adopt the proposed policy and conclusions formed as to whether action should be taken using evidence from the case study. Appropriate recommendations will be formed.

AO1 – Apply knowledge and critical understanding

12 – 10	Comprehensive evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected.
9 – 7	Good evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected.
6 – 4	Some evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected.
3 – 0	Little evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected.

Candidates should draw on information presented in the case study. They must apply their knowledge and understanding to select that information relevant for the report. They must also apply their knowledge and understanding to form relevant conclusions for Tymberland PLC.

Knowledge and understanding demonstrated this report might include:

Stakeholders

- **Investors**

In Support of the Proposal

May be concerned that dividends may fall.

May not want to take the risk of the environmental policy, especially in light of the uncertainty surrounding global warming.

May not be willing to invest new capital

Against the Proposal

Some may see the initiative as an opportunity to make high returns in the future.

May see this as an opportunity to make a difference to the planet.

- **Pressure Groups**

In Support of the Proposal

May see the proposal achieving some of their aims.

May think the move could encourage other firms to follow suit.

Against the Proposal

May not think that the proposal goes far enough.

May think the company will simply use this as a marketing ploy and ignore other area.

- **Customers**

In Support of the Proposal

Some customers may start to buy from the company if they think it is environmentally friendly.

Customers may think that cost savings may be passed on to them in the future.

Against the Proposal

Some may be worried that cost will be passed on to them.

Some may not believe that Global Warming exists or that it is caused by the sun and volcanoes

- **Government**

In Support of the Proposal

The Northern Ireland Sustainable Development Strategy, published in May 2006, commits Northern Ireland to a reduction of 25% in greenhouse gas emissions below 1990 levels by 2025.

Foreign trade may be encouraged if other countries support companies that are environmentally friendly.

EU targets may be met in the future.

Green taxes may be imposed in order to raise revenue.

Against the Proposal

There may be some political unrest from those who do not believe in global warming such as the views outlined by Sammy Wilson.

There may be the “Why should we attitude” that exists in the US.

- **Employees**

In Support of the Proposal

Employees may like to work for a company that is environmentally friendly.

There may be future initiatives that might improve their working conditions.

Against the Proposal

Employees may resist change

Employees may be worried about job cuts as a result of the increased costs in the short run.

- **Management**

In Support of the Proposal

It may be easier to sell products.

It may be easier to control activities such as through improving the efficiency of deliveries.

Against the Proposal

There may be an additional work burden,

Economies of scale etc may not be as easily realised.

- **Suppliers**

In Support of the Proposal

The improved efficiency of deliveries etc may cut costs.

Against the Proposal

The proposal may make delivery logistics difficult to control.

AO3 – Analyse problems, issues and situations relating to the report.

16 – 13	Comprehensive analysis of the problems, issues and situations relevant to the report.
12 – 9	Good analysis of the problems, issues and situations relevant to the report.
8 – 5	Some analysis of the problems, issues and situations relevant to the report.
4 – 0	Little analysis of the problems, issues and situations relevant to the report.

Candidates must analyse the selected information in order to produce the report.

AO4 – Evaluate, distinguish between fact and opinion and assess information from a variety of sources.

20 – 16	Comprehensive evaluation of all the evidence to arrive at reasoned and valid conclusions.
15 – 11	Good evaluation of all the evidence to arrive at reasoned and valid conclusions.
10 – 6	Some evaluation of all the evidence to arrive at reasoned and valid conclusions.
5 – 0	Little evaluation of all the evidence to arrive at reasoned and valid conclusions.

Candidates should draw conclusions, based on analysis of their findings. They must use different sources from the case study and be able to show that they know the difference between fact and people’s opinions. In the evaluation they must show both positive and negative sides of options considered to get into the top band and they must make a final judgement regarding whether Tymberland PLC should take action or ignore Global Warming. Recommendations made should be realistic.

[60]

60

Quality of written communication

3

Total

63

