



Rewarding Learning

**ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2012**

Business Studies

Assessment Unit AS 2

assessing

Managing Business Resources

[AT121]

THURSDAY 19 JANUARY, MORNING

MARK SCHEME

- 1 (a) Explain what is meant by the term employee empowerment. Illustrate your answer using an example from the case study. [4]

Empowerment is like delegation. It is when power or authority is given to employees so they can make their own decisions regarding their working life. For instance, workers have control over how to use their time and deciding the priority of tasks that need to be done. They are encouraged to consider problems they face and come up with solutions.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of what is meant by the term employee empowerment.	[2] Candidate makes good application of the terms.
Level 1	[1] Candidate demonstrates some understanding of what is meant by the term employee empowerment.	[1] Candidate attempts to make some application of the terms.
Level 0	[0] Candidate demonstrates no understanding of what is meant by the term employee empowerment.	[0] No attempt at application.

- (b) Explain what is meant by the term succession planning. Illustrate your answer using an example from the case study. [4]

An important role of the human resource department is ensuring that the organisation has the correct staff to enable it to perform effectively. There is a range of issues that the human resource department needs to address if it is to successfully put in place an effective plan. These might include analysing the current employment needs of the organisation, forecasting the future demand for employees, forecasting the future supply of employees and predicting labour turnover. Once these have been considered, the human resources department can then put in place strategies and courses of action to meet these needs.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of what is meant by the term succession planning.	[2] Candidate makes good application of the terms.
Level 1	[1] Candidate demonstrates some understanding of what is meant by the term succession planning.	[1] Candidate attempts to make some application of the terms.
Level 0	[0] Candidate demonstrates no understanding of what is meant by the term succession planning.	[0] No attempt at application.

(c) Analyse how Maslow’s motivational theory is used at Siemens. [8]

Maslow felt that employee’s individual needs could be classified as either primary needs of secondary needs. He suggested that the needs of employees could be placed in a hierarchy where individual needs could be classified according to certain parameters. He argued that once a lower level need was met, an employee may move on to the next need in the hierarchy. Each of these five classes of needs were categorised using the following categories:

- physiological needs
- safety needs
- love and belonging
- esteem needs
- self-actualisation.

Maslow’s lower level needs are being met through good pay and a safe workplace. Higher level needs are being met through challenging and creative work, training and development prospects and being recognised for contributions in the workplace. Staff can fulfil their full potential by taking responsibility for their own jobs.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]	AO3 Analysis [4]
Level 2	[2] Candidate demonstrates good understanding of how Maslow’s motivational theory is used at Siemens.	[2] Candidate makes good application of the terms.	[4]–[3] Good analysis of how Maslow’s motivational theory is used at Siemens.
Level 1	[1] Candidate demonstrates some understanding of how Maslow’s motivational theory is used at Siemens.	[1] Candidate attempts to make some application of the terms.	[2]–[1] Limited analysis of how Maslow’s motivational theory is used at Siemens.
Level 0	[0] Candidate demonstrates no understanding of how Maslow’s motivational theory is used at Siemens.	[0] No attempt at application.	[0] No analysis.

- (d) Discuss the advantages and disadvantages of team working as a method of motivation within Siemens. [12]

Team working involves setting up the production process in teams. The members of these teams decide between themselves how the work should be distributed and how problem solving should take place.

Advantages of team work:

- the problems can be solved quickly
- you get many ideas as the solution of the problem
- there are many possible solutions from which the greatest can be selected, etc.

Disadvantages of team work:

- time consumption to create a team
- some team members do not participate as much as others
- costs of time and human resources towards building a team, etc.

	AO1 Knowledge and Understanding [3]	AO2 Application [3]	AO3 Analysis [2]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the advantages and disadvantages of the use of team working as a method of motivation within Siemens.	[3] Candidate makes excellent application of the terms.		[4] Candidate gives a full evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[3] Candidate demonstrates good understanding of the advantages and disadvantages of the use of team working as a method of motivation within Siemens.	[2] Candidate makes good application of the terms.	[2] Good analysis of the advantages and disadvantages of the use of team working as a method of motivation within Siemens.	[3]–[2] Candidate gives a satisfactory evaluation of the arguments presented and forms a final judgement. QWC is good.

Level 1	[1] Candidate demonstrates some understanding of the advantages and disadvantages of the use of team working as a method of motivation within Siemens.	[1] Candidate attempts to make some application of the terms.	[1] Limited analysis of the advantages and disadvantages of the use of team working as a method of motivation within Siemens.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the advantages and disadvantages of the use of team working as a method of motivation within Siemens.	[0] No attempt at application.	[0] No analysis.	[0] Candidate gives no evaluation of the arguments presented and forms no final judgement. QWC is poor.

(e) Evaluate Siemens' decision to use on-the-job training. [12]

Advantages of on-the-job training:

- on-the-job training is a relatively cheap method of training
- the trainee does not need to take time off as the training is happening in the workplace.

Disadvantages of on-the-job training:

- the human resource department needs to be careful that it selects a suitable employee to carry out the training. This person needs to have the ability and the willingness to conduct the training.
- the experienced employee may neglect his/her own job whilst carrying out training which can be costly to the organisation
- the trainee may make mistakes which might be costly for the organisation.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of Siemens' decision to use on-the-job training.		[3] Excellent analysis of Siemens' decision to use on-the-job training.	[4] Candidate gives a full evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[2] Candidate demonstrates good understanding of Siemens' decision to use on-the-job training.	[2] Candidate makes good application of the terms.	[2] Good analysis of Siemens' decision to use on-the-job training.	[2]–[3] Candidate gives a satisfactory evaluation of the arguments presented and forms a final judgement. QWC is good.
Level 1	[1] Candidate demonstrates some understanding of Siemens' decision to use on-the-job training.	[1] Candidate attempts to make some application of the terms.	[1] Limited analysis of Siemens' decision to use on-the-job training.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of Siemens' decision to use on-the-job training.	[0] No attempt at application.	[0] No analysis.	[0] Candidate gives no evaluation of the arguments presented and forms no final judgement. QWC is poor.

- 2 (a) Explain what is meant by the term Non-Current Assets. Illustrate your answer using an example from the case study. [4]

Non-Current Assets are the long term assets owned by the business which are needed for the day-to-day running. In the case of “The Grill”, these would include the vehicle which was purchased.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of what is meant by the term Non-Current Assets.	[2] Candidate makes good application of the terms.
Level 1	[1] Candidate demonstrates some understanding of what is meant by the term Non-Current Assets.	[1] Candidate attempts to make some application of the terms.
Level 0	[0] Candidate demonstrates no understanding of what is meant by the term Non-Current Assets.	[0] No attempt at application.

- (b) Explain what is meant by the term Trade Receivables. Illustrate your answer using an example from the case study. [4]

Trade Receivables are customers that owe the firm money. In the case of “The Grill”, this figure is quite low because the business is a bistro, customers will generally pay at the time of purchase. The trade receivables are the business organisations who pay at the end of the month.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of what is meant by the term Trade Receivables.	[2] Candidate makes good application of the terms.
Level 1	[1] Candidate demonstrates some understanding of what is meant by the term Trade Receivables.	[1] Candidate attempts to make some application of the terms.
Level 0	[0] Candidate demonstrates no understanding of what is meant by the term Trade Receivables.	[0] No attempt at application.

(c) Using appropriate information from **Figure 1**, analyse how the financial position has changed between 2010 and 2011. [8]

- Non-current assets have increased from 10,000 to 15,000 – this will have been due to the purchase of the van
- Both inventory and trade receivables have risen from 300 to 400 – this may cause cash flow difficulties
- The Grill has no cash in 2011 and is in fact operating a bank overdraft of 5,000. This may have been a result of buying the van
- Trade payables have fallen from 3,000 to 2,000 – “The Grill” may need to ask for extended credit facilities.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]	AO3 Analysis [4]
Level 2	[2] Candidate demonstrates good understanding of how the financial position has changed between 2010 and 2011.	[2] Candidate makes good application of the terms.	[4]–[3] Good analysis of how the financial position has changed between 2010 and 2011.
Level 1	[1] Candidate demonstrates some understanding of how the financial position has changed between 2010 and 2011.	[1] Candidate attempts to make some application of the terms.	[2]–[1] Limited analysis of how the financial position has changed between 2010 and 2011.
Level 0	[0] Candidate demonstrates no understanding of how the financial position has changed between 2010 and 2011.	[0] No attempt at application.	[0] No analysis.

(d) Evaluate the usefulness of financial information to Patrick when deciding on whether or not to buy “The Grill”. [12]

Advantages of using financial information:

- Patrick can make an assessment of the financial performance of “The Grill”
- Patrick can use the financial information to carry out ratio analysis
- Patrick can assess the profitability of the business
- Patrick can assess the liquidity of the business
- Patrick can identify areas of strength and areas of weaknesses within the business.

Disadvantages of using financial information:

- financial information is based on past performance which means that they may not represent what will actually happen in the future
- different organisations may have different accounting policies
- inflation. If there are price rises this can distort the figures
- financial information may ignore other objectives of the organisation such as customer satisfaction/service quality and employee satisfaction.

	AO1 Knowledge and Understanding [3]	AO2 Application [3]	AO3 Analysis [2]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the advantages and disadvantages of Patrick using the financial information.	[3] Candidate makes excellent application of the terms.		[4] Candidate gives a full evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[2] Candidate demonstrates good understanding of the advantages and disadvantages of Patrick using the financial information.	[2] Candidate makes good application of the terms.	[2] Good analysis of the advantages and disadvantages of Patrick using the financial information.	[3]–[2] Candidate gives a satisfactory evaluation of the arguments presented and forms a final judgement. QWC is good.

Level 1	[1] Candidate demonstrates some understanding of the advantages and disadvantages of Patrick using the financial information.	[1] Candidate attempts to make some application of the terms.	[1] Limited analysis of the advantages and disadvantages of Patrick using the financial information.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the advantages and disadvantages of Patrick using the financial information.	[0] No attempt at application.	[0] No analysis.	[0] Candidate gives no evaluation of the arguments presented and forms no final judgement. QWC is poor.

- (e) Evaluate the use of zero-based budgeting to a business such as “The Grill”. [12]

Zero-based budgeting is often used in a new or unstable business and each time a new budget is drawn up it is not based on the previous year, but is based on entirely new costings and projections.

Advantages of zero-based budgeting

- zero-based budgeting ensures that there is an efficient allocation of resources, as it is based on needs and benefits
- zero-based budgeting will have encouraged Liam to find cost effective ways to improve operations
- zero-based budgeting increases staff motivation by providing greater initiative and responsibility in decision-making
- zero-based budgeting increases communication and coordination within the organisation
- zero-based budgeting identifies and eliminates wasteful and obsolete operations.

Disadvantages of zero-based budgeting

- zero-based budgeting is time-consuming
- zero-based budgeting requires a justification of every detail related to expenditure
- zero-based budgeting must be clearly understood by managers at various levels to be successfully implemented.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of Liam Chaney’s decision to use zero-based budgeting.		[3] Excellent analysis of Liam Chaney’s decision to use zero-based budgeting.	[4] Candidate gives a full evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[2] Candidate demonstrates good understanding of Liam Chaney’s decision to use zero-based budgeting.	[2] Candidate makes good application of the terms.	[2] Good analysis of Liam Chaney’s decision to use zero-based budgeting.	[2]–[3] Candidate gives a satisfactory evaluation of the arguments presented and forms a final judgement. QWC is good.

Level 1	[1] Candidate demonstrates some understanding of Liam Chaney's decision to use zero-based budgeting.	[1] Candidate attempts to make some application of the terms.	[1] Limited analysis of Liam Chaney's decision to use zero-based budgeting.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of Liam Chaney's decision to use zero-based budgeting.	[0] No attempt at application.	[0] No analysis.	[0] Candidate gives no evaluation of the arguments presented and forms no final judgement. QWC is poor.

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Total

80