



Rewarding Learning

**ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2013**

Business Studies

Assessment Unit AS 2

assessing

Managing Business Resources

[AT121]

TUESDAY 22 JANUARY, AFTERNOON

MARK SCHEME

1 (a) Explain what is meant by the term “appraisal”. Illustrate your answer using an example from the case study.

The process by which a manager examines and evaluates an employee’s work behaviour by comparing it with present standards and offering feedback on how to improve.

After a period of working for Kellogg’s the company would want to find out the qualities and training needs of its employees. Appraisal can be used by a business to:

- improve performance
- provide feedback
- increase motivation
- identify training needs
- identify potential for promotion
- award salary increases
- set out job objectives
- provide information on succession planning.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of the term appraisal.	[2] Candidate makes good application of the terms to Kellogg’s.
Level 1	[1] Candidate demonstrates some understanding of the term appraisal.	[1] Candidate attempts to make some application of the terms to Kellogg’s.
Level 0	[0] Candidate demonstrates no understanding of the term appraisal.	[0] No attempt at application of the terms to Kellogg’s.

[4]

(b) Explain two disadvantages to Kellogg's of using interviews as a method of selection.

Interview is a method of selection open to Kellogg's. However, an interview can have some criticisms:

- interviewers can reject a possible candidate within the first three or four minutes, and then spend the rest of the time finding evidence to support their decision
- interviews seldom change the initial opinion formed by the interviewer seeing the application form and the appearance of the candidate
- time allocated is too short to show the person in the correct light
- some people are generally quite good at interviews and can come across confident, whereas others are very nervous and do not sell themselves
- time consuming to select a panel and interview
- staff member needed at the interview – lowers productivity.

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

[4]

(c) Analyse the role of management styles in motivating employees in a company such as Kellogg's.

- authoritarian style motivates staff where employees are not self-motivated and they are wary about making their own decisions. Some employees prefer to be told what to do
- paternalistic managers still dictates to the employee; however, they try to encourage and motivate staff to work and think independently
- democratic style is time consuming and takes time; however, employees feel part of the decision-making process and as a result part of Kellogg's
- *laissez-faire* style leaves the employees alone to make up their own choices and makes very few demands on the employees
- management in Kellogg's can vary from authoritarian to paternalistic, democratic to *laissez-faire*. All styles should be used within such a large organisation depending on the nature of the task and the employees involved
- the management's style and ability can have a significant impact on motivation of employees and how effectively resources may be used
- good managers can bring about substantial productivity gains by motivating staff
- bad managers can lead to employees feeling stressed and de-motivated, resulting in low productivity, absenteeism and high labour turnover.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]	AO3 Analysis [4]
Level 2	[2] Candidate demonstrates good understanding of the role of management in motivating employees.	[2] Candidate makes good application of the role of management in motivating employees.	[4]–[3] Good analysis of the role of management.
Level 1	[1] Candidate demonstrates some understanding of the role of management in motivating employees.	[1] Candidate attempts to make some application of the role of management in motivating employees.	[2]–[1] Limited analysis of the role of management in motivating employees.
Level 0	[0] Candidate demonstrates no understanding of the role of management in motivating employees.	[0] No attempt at applying the role of management in motivating employees.	[0] No analysis of the role of management in motivating employees.

[8]

(d) Discuss the usefulness of internal recruitment to a business such as Kellogg's.

Internal recruitment is defined as filling a job vacancy by selecting a person who is already within Kellogg's.

Advantages:

- the employee's abilities are already known
- internal promotional opportunities are motivational for the workforce
- the recruitment and selection process is quicker
- a shorter induction period is required
- it is less expensive
- it reduces the risk of employing the wrong person.

However, the disadvantages are:

- it may not attract a large number of applicants
- it does not bring in new blood as external recruitment would
- it does not allow for specialisation for other firms to come into Kellogg's
- resentment/difficulties with former colleagues.

As part of their discussion, candidates should consider both positive and negative aspects and come to a final judgement.

Candidates are expected to evaluate throughout their answers.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of internal recruitment in Kellogg's.		[3] Excellent analysis of the implications of internal recruitment in Kellogg's.	[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 internal recruitment in Kellogg's.	[2] Candidate makes good application of internal recruitment in Kellogg's.	[2] Good analysis of the implications of internal recruitment in Kellogg's.	[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 internal recruitment in Kellogg's.	[1] Candidate attempts to make some application of internal recruitment in Kellogg's.	[1] Limited analysis of the implications of internal recruitment in Kellogg's.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of internal recruitment in Kellogg's.	[0] No attempt at application of internal recruitment in Kellogg's.	[0] No analysis of internal recruitment in Kellogg's.	[0] Candidate gives no evaluation of the arguments presented and forms a final judgement. QWC is poor.

[12]

- (e) Evaluate the impact of technology on communication within an organisation such as Kellogg's.

Advancement in the mediums through which to communicate has improved greatly. Kellogg's overall efficiency will have improved and their customer needs met more effectively.

Advantages:

- less paper used, better for the environment
- technology can greatly speed up the communication network within Kellogg's
- communication can now operate on a global scale instantly.
- managers and employees can access information from almost anywhere
- Kellogg's can communicate better with its employees/customers; the e-mail and Internet are quick and easily accessible
- technology means that market research is carried out quicker and analysed easier.

Disadvantages:

- it will cost Kellogg's a lot of money to bring in and constantly update the latest technology
- it can also encourage a culture where little to no face-to-face contact is made
- not all communications should be sent over the Internet due to confidentiality
- employees may need to be trained on the new technology, resulting in increased costs and downtime
- technology can break down.

In conclusion the impact of technology will impact on all stakeholders and they have to be considered when considering improving technology. It is necessary in today's IT culture but Kellogg's still needs to consider the importance of meeting and discussing issues face-to-face.

As part of their discussion, candidates should consider both positive and negative aspects and come to a final judgement.

Candidates are expected to evaluate throughout their answers.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the impact of technology to a business such as Kellogg's.		[3] Excellent analysis of the impact of technology on a business such as Kellogg's.	[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 impact of technology to a business such as Kellogg's.	[2] Candidate makes good application of the impact of technology to a business such as Kellogg's.	[2]–[3] Good analysis of the impact of technology to a business such as Kellogg's.	[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 the impact of technology to a business such as Kellogg's.	[1] Candidate attempts to make some application of the impact of technology to a business such as Kellogg's.	[1] Limited analysis of the impact of technology to a business such as Kellogg's.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the impact of technology to a business such as Kellogg's.	[0] No attempt at application of the impact of technology to a business such as Kellogg's.	[0] No analysis of the impact of technology to a business such as Kellogg's.	[0] Candidate gives no evaluation of the arguments presented and forms a final judgement. QWC is poor.

[12]

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- 2 (a) Explain the term span of control, using an example to illustrate your answer.

The number of subordinates whom a manager is required to supervise directly. If Samuel Jones has many subordinates answerable to him, then the span of control is said to be wide. If the number of employees is low, then the span of control is narrow. Samuel is in charge of monitoring 10 employees; therefore his span of control is wide.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of the term span of control.	[2] Candidate makes good application of the term span of control to Samuel Jones.
Level 1	[1] Candidate demonstrates some understanding of the term span of control.	[1] Candidate attempts to make some application of the term span of control to Samuel Jones.
Level 0	[0] Candidate demonstrates no understanding of the term span of control.	[0] No attempt at application of the term span of control.

[4]

(b) Show by calculation SJ Mechanics Gross Profit for the year ended 31st December 2012.

	£	
Sales Revenues		425,000
<u>Less Cost of Sales</u>		
Opening Inventories	15,000	
Add purchases	<u>75,000</u>	
	90,000	
Less Closing Inventories	<u>10,000</u>	<u>80,000</u>
Gross Profit		£ 345,000

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

[4]

(c) Analyse the factors that may have influenced Samuel Jones to choose a notice board as his primary method of communication.

Currently Samuel Jones uses the notice board to communicate to staff.

Factors which will affect his choice of medium to communicate with his staff are:

- direction of communication – the nature of the message might dictate the medium that is available to Samuel Jones
- nature of communication – if a communication is confidential, it is important that Samuel chooses one that is suitable, e-mail may be the most appropriate if there is suitable security
- costs – some mediums will cost Samuel a lot of money, for example electronic message boards can be expensive
- speed – it depends how quick he wants the message delivered
- length of message – verbal communication may be used if the message itself is not too long
- tradition and culture of Samuel Jones business.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]	AO3 Analysis [4]
Level 2	[2] Candidate demonstrates good understanding of the mediums through which a business can communicate.	[2] Candidate makes good application of the term mediums of communication.	[4]–[3] Good analysis of the mediums through which to communicate.
Level 1	[1] Candidate demonstrates some understanding of the mediums through which a business can communicate.	[1] Candidate attempts to make some application of the term mediums of communication.	[2]–[1] Limited analysis of the mediums through which to communicate.
Level 0	[0] Candidate demonstrates no understanding of the mediums through which a business can communicate.	[0] No attempt at application.	[0] No analysis.

[8]

(d) Discuss the advantages and disadvantages of SJ Mechanics using off-the-job training.

Off-the-job training occurs when an employee attends a course. This can take place in many different ways, such as a vocational course in a technical college. Distance learning or e-learning has become a common way for employees to receive off-the-job training.

Advantages:

- employees should be properly trained as the course is run by a professional
- the trainee can learn at his/her own pace
- the cost of training is easily calculated
- an employee can receive a formal qualification
- it will motivate an employee.

Disadvantage:

- it is more expensive than on-the-job training
- the learning does not take place in the workplace, therefore making it difficult to apply to their job
- the equipment used may differ from that back in the workplace
- loss of productivity.

As part of their discussion, candidates should consider both advantages and disadvantages and come to a final judgement.

Candidates are expected to evaluate throughout their answers.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the term off-the-job training.		[3] Excellent analysis of the implications for a firm such as Samuel Jones of using off-the-job training.	[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 term off-the-job training.	[2] Candidate makes good application of the term off-the-job training to Samuel Jones.	[2] Good analysis of the implications for a firm such as Samuel Jones of using off-the-job training.	[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 term off-the-job training.	[1] Candidate attempts to make some application of the term off-the-job training to Samuel Jones.	[1] Limited analysis of the implications for a firm such as Samuel Jones of using off-the-job training.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the term off-the-job training.	[0] No attempt at application of the term off-the-job training to Samuel Jones.	[0] No analysis of the implications for a firm such as Samuel Jones of using off-the-job training.	[0] Candidate gives no evaluation of the arguments presented and forms a final judgement. QWC is poor.

[12]

- (e) Evaluate the usefulness of final accounts to a business such as SJ Mechanics.

Usefulness of Final Accounts:

- assesses overall profit – the business will be able to establish how much profit has been made and compare it with previous years and other businesses
- it will help Samuel Jones control costs – it can be used by managers to see how well a business has controlled its overheads
- it measures growth – a business can use the Income Statement to help measure its growth. A guide to a business's growth may be the value of sales compared with the previous years
- other stakeholders – suppliers may look at the information to establish how much credit to allow. Potential investors may look at it to see their potential returns
- it can show trends from year to year
- it provides a summary and valuation of all business assets, capital and liabilities
- it can analyse the asset structure of the business
- it can analyse the capital structure of the business
- a statement of financial position may provide a guide to the firm's value.

However, drawbacks of Final Accounts:

- it depends greatly on the qualitative data also available to the various users
- also, the accounts may be “window dressed” – they may minimise the profit stated for tax purposes. Or businesses can manipulate data to present a healthier picture than what is reality.
- however, the value of many assets listed may not reflect the amount of money the business would receive if it were sold
- a statement of financial position is a static statement – the figures listed may only be valid for day of being published. Some figures will have to be changed.

As part of their discussion, candidates should consider both advantages and disadvantages and come to a final judgement.

Candidates are expected to evaluate throughout their answers.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the usefulness of final accounts to a business.		[3] Excellent analysis of final accounts to a business such as Samuel Jones.	[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 usefulness of final accounts to a business.	[2] Candidate makes good application of the terminology related to final accounts.	[2] Good analysis of final accounts to a business such as Samuel Jones.	[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 the usefulness of final accounts to a business.	[1] Candidate attempts to make some application of the terminology related to final accounts.	[1] Limited analysis of final accounts to a business such as Samuel Jones.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the usefulness of final accounts to a business.	[0] No attempt at application of the terminology related to final accounts of the business.	[0] No analysis of final accounts to a business such as Samuel Jones.	[0] Candidate gives no evaluation of the arguments presented and forms a final judgement. QWC is poor.

[12]

Total

40

80