



*Rewarding Learning*

**ADVANCED**  
**General Certificate of Education**  
**2016**

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**Business Studies**

Assessment Unit A2 2

*assessing*

The Changing Business Environment

**[AT221]**

**TUESDAY 24 MAY, AFTERNOON**

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**MARK  
SCHEME**

## General Marking Instructions

### 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 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 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.

**AO1: Demonstrate knowledge and understanding of concepts and issues relating to the report.**

**AVAILABLE  
MARKS**

<b>Level 0</b>	<b>[0]</b>	No knowledge and understanding.
<b>Level 1</b>	<b>[1]–[4]</b>	Little knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format. Candidate makes limited use of specialist terms.
<b>Level 2</b>	<b>[5]–[8]</b>	Some knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format. Candidate makes satisfactory use of specialist terms when appropriate.
<b>Level 3</b>	<b>[9]–[12]</b>	Good knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format. Candidate makes good use of specialist terms when appropriate.
<b>Level 4</b>	<b>[13]–[16]</b>	Comprehensive knowledge and understanding of theories, procedures and concepts relevant to the report is displayed, including use of correct format. Candidate makes excellent use of specialist terms when appropriate.

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

<b>Report format should be:</b>	
<b>Title</b>	<b>Translink – The Way Forward</b>
<b>Aim</b>	The aim of the report is to examine how the Board of Directors in Translink might effectively respond to The NI Assembly Sub-Committee’s proposal to increase competition and its possible impact of future financial position of Translink.
<b>Introduction</b>	The introduction should set the scene by briefly describing Translink’s current situation by reviewing the stimulus commentary sources and state the views of the stakeholders on franchising. The introduction will explain how the report intends to achieve its aims.
<b>Analysis and discussion of findings</b>	This should examine the main issues surrounding the Assembly’s Sub-Committee proposal to increase the competition in the public transport system in Northern Ireland. You should analyse the implications of the proposed increased competition on Translink.
<b>Conclusions/ Evaluations</b>	The report should evaluate the main points from all their sources and come to a final judgement as to how Translink should respond to the proposed increased competition in the public transport system in Northern Ireland.
<b>Recommendations</b>	The report should make recommendations to the Board of Directors of Translink as to how Translink should respond to the proposed increased competition.

<b>AVAILABLE MARKS</b>

**Knowledge and understanding demonstrated in this report might include:**

Forms of business organisation; spectrum of competition; marketing mix; investment and productivity; business objectives; stakeholder objectives; company accounts; macroeconomic framework; government objectives; business ethics; conflict; culture; change.

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Forms of business organisation; spectrum of competition; marketing mix; investment and productivity; business objectives; stakeholder objectives; company accounts; macroeconomic framework; government objectives; business ethics; conflict; culture; change.

**AO2: Apply knowledge and understanding to problems and issues relating to the report.**

<b>Level 0</b>	<b>[0]</b>	No evidence that knowledge and critical understanding has been applied.
<b>Level 1</b>	<b>[1]–[6]</b>	Little evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected. The candidate makes limited use of spelling, punctuation and grammar. The meaning of the text is not always clear. The candidate demonstrates a limited form and style appropriate to the question. The organisation of the answer is limited.
<b>Level 2</b>	<b>[7]–[11]</b>	Some evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected. Candidate demonstrates satisfactory use of spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the purpose of the question. The answer is organised in a satisfactory manner.
<b>Level 3</b>	<b>[12]–[16]</b>	Good evidence that knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected. Candidate demonstrates good use of spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style appropriate to the purpose of the question. Answer is organised in a clear and coherent manner.
<b>Level 4</b>	<b>[17]–[20]</b>	Comprehensive evidence that excellent knowledge and critical understanding has been applied and all or most of the information relevant to the report has been selected. Candidate demonstrates excellent spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. Answer is organised in a clear and coherent manner.

Candidates should draw on the information presented in the case study. They must apply their knowledge and understanding to select that information relevant to effectively assess the issues surrounding Translink and explain/analyse the options available. They must also apply their knowledge/understanding to consider recommendations for the management of Translink.

**AVAILABLE  
MARKS**

**AO3: Analyse problems, issues and situations relating to the report.****AVAILABLE  
MARKS**

<b>Level 0</b>	<b>[0]</b>	No analysis of the problems, issues and situations.
<b>Level 1</b>	<b>[1]–[6]</b>	Little analysis of the problems, issues and situations relevant to the report. The candidate makes limited use of spelling, punctuation and grammar. The meaning of the text is not always clear. The candidate demonstrates a limited form and style appropriate to the question. The organisation of the answer is limited.
<b>Level 2</b>	<b>[7]–[11]</b>	Some analysis of the problems, issues and situations relevant to the report. Candidate demonstrates satisfactory use of spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the purpose of the question. The answer is organised in a satisfactory manner.
<b>Level 3</b>	<b>[12]–[16]</b>	Good analysis of the problems, issues and situations relevant to the report. Candidate demonstrates good use of spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style appropriate to the purpose of the question. Answer is organised in a clear and coherent manner.
<b>Level 4</b>	<b>[17]–[20]</b>	Comprehensive analysis of the problems, issues and situations relevant to the report. Candidate demonstrates excellent spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. Answer is organised in a clear and coherent manner.

Candidates must analyse the selected information in order to gain a full awareness of the extent of the issues facing Translink in the current situation. Analyse Translink's present situation and how they will respond to the proposed increase of competition within the public transport system.

**AO4: Evaluate, distinguish between and assess appropriateness of fact and opinion, and judge information from a variety of sources.**

**AVAILABLE  
MARKS**

<b>Level 0</b>	<b>[0]</b>	No evaluation of the evidence.
<b>Level 1</b>	<b>[1]–[6]</b>	Little evaluation of all the evidence to arrive at reasoned and valid conclusions. The candidate makes limited use of spelling, punctuation and grammar. The meaning of the text is not always clear. The candidate demonstrates a limited form and style appropriate to the question. The organisation of the answer is limited.
<b>Level 2</b>	<b>[7]–[12]</b>	Some evaluation of all the evidence to arrive at reasoned and valid conclusions. Candidate demonstrates satisfactory spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the purpose of the question. The answer is organised in a satisfactory manner.
<b>Level 3</b>	<b>[13]–[18]</b>	Good evaluation of all the evidence to arrive at reasoned and valid conclusions. Candidate demonstrates good spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style appropriate to the purpose of the question. Answer is organised in a clear and coherent manner.
<b>Level 4</b>	<b>[19]–[24]</b>	Comprehensive evaluation of evidence to arrive at reasoned and valid conclusions. Candidate demonstrates excellent spelling, punctuation and grammar. The meaning of the text is clear. The candidate has consistently used a form and style of writing appropriate to the purpose of the question. Answer is organised in a clear and coherent manner.

Candidates should draw conclusions and evaluate the arguments presented throughout the stimulus material and make recommendations as appropriate.

Candidates must use different sources from the case study and be able to show that they know the difference between fact and opinions.

In the evaluation they must show both the positive and negative sides of the options being considered and they must make a final judgement.

Candidates should also make realistic recommendations based on their conclusions for the attention of the management of Translink.

Issues to be addressed by Board of Directors of Translink

- Profits of Translink are annually decreasing, Profits in 2012 £5.6m to losses in 2014 (£0.9m) (Source 2)
- Predicting Future Losses for 2015, 2016 and beyond because of decreased funding (Source 8)
- Decreased NI Assembly funding in the future (Source 8)
- 85% of its routes are non-profitable and depend on NI Funding (Source 8)
- Decreasing staff to cut increasing losses (Source 5)
- Decreased investment in bus and rail routes by Translink and by Local Government as no profits being made (Source 5)
- Potential impact of franchising and/or globalisation (Sources 3, 4, 6)

- Net Profit Margin (%): -0.5% (2014); 0.85% (2013); 2.97% (2012) (Source 2)
- Change in Sales Revenues: +6.4% (Source 2)
- Change in Profits: -116% (Source 2)

#### Issues surrounding increased competition

- Change in staff numbers: +1.3%
- Passenger numbers: 80.1m (2014); 78.4m (2013); 77.2m (2012)
- Loss of jobs as competitors take over their routes, decreased routes less profits more staff layoffs (Source 8)
- Less Routes less Buses required, Sales of Buses (Sources 3, 8)
- Loss of profitable routes to competitors (Sources 3, 8)
- Rivals left with unprofitable routes with less funding (Sources 4, 8)
- Change in passenger numbers: +3.8% (Source 2)
- Valid alternative topics considered if relevant to aim of report/question.

#### Recommendations

- 1 Force NI Assembly to keep the status quo, do not franchise the transport system in Northern Ireland, all bus and rail routes stay with Translink
- 2 Discussions with Minister for Regional Development to increase funding to Translink
- 3 Review the differentiated fares system in Transport, students, business, Free transport
- 4 New Contracts
- 5 Increase the Fares across the board
- 6 Cut costs through reducing staff
- 7 Reduce the number of unprofitable routes
- 8 Takeovers/Mergers or downsize
- 9 Operate as a franchisee
- 10 Internationalise operations
- 11 Business Plan for future objectives
- 12 Stakeholder Consultations
- 13 Management of change
- 14 Government Objectives for future
- 15 Translink may seek stock market flotation to address funding gaps in future

[80]

**Total**

**AVAILABLE  
MARKS**

80

**80**