

CAMBRIDGE INTERNATIONAL EXAMINATIONS

General Certificate of Education Advanced Subsidiary and Advanced Level

MARK SCHEME FOR the June 2002 question papers

9707 BUSINESS STUDIES

9707/1	Paper 1 (Short Answer/Essay), maximum raw mark 40
9707/2	Paper 2 (Data Response), maximum raw mark 60
9707/3	Paper 3 (Case Study), maximum raw mark 60
9707/4	Paper 4 (Essay), maximum raw mark 40

These mark schemes are published as an aid to teachers and students, to indicate the requirements of the examination. They show the basis on which Examiners were initially instructed to award marks. They do not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the *Report on the Examination*.

- CIE will not enter into discussions or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the June 2002 question papers for most IGCSE and GCE Advanced (A) and Advanced Subsidiary (AS) Level syllabuses.



JUNE 2002

GCE ADVANCED SUBSIDIARY AND ADVANCED LEVEL

MARK SCHEME

MAXIMUM MARK : 40

SYLLABUS/COMPONENT : 9707/1

BUSINESS STUDIES



Page 1 of 3	Mark Scheme	Syllabus	Paper
	AS and A Level Examinations - June 2002	9707	1

- Q1 (a) Partial understanding of each type or full understanding of one only 1
Full explanation of difference between private and public companies 2
- (b) Some understanding but significance not explained 1
Substantially full but incomplete explanation of significance 2
Full explanation of limited liability. 3
- Q2 (a) Partial definition. 1
Full definition of the the term 2
- (b) Explanation very superficial. 1
Partial explanation of advantages. 2
Full explanation of advantages. 3
- Q3 (a) Partial explanation of usefulness 1
Full explanation of use 2
- (b) Partial knowledge of technique only 1
All correct but not labelled, or mostly correct but not totally 2
Complete correct diagram with all lines/axes labelled 3
- Q4 (a) Full explanation of one only or partial explanation of both 1
Full explanation of difference – wealth of company / surplus in trading period 2
- (b) Superficial knowledge only shown 1
Partial explanation 2
Full explanation of need for cash flow statement: – timing, depreciation etc 3
- Q5 Answers should focus on government intervention in a range of areas, including legislation in different areas (actual laws are not expected to be quoted); political aims – wealth distribution etc.; economic strategies such as fiscal and monetary control of the economy; currency controls; import controls & membership of trading blocs; grants & subsidies.

Knowledge and Application	Analysis and Evaluation
Level Two: Outlines a range of measures with some attempt to discuss their effect on businesses. 6-10 marks	Level Two: Some evaluation of the relevant importance of the effect and inter-relation of measures. 8-10 marks
Level One: Outlines some factors but without discussing their effect. 1-5 marks	Level One: Attempts to analyse relevant effects without fully explaining inter-linked nature of factors. 1-7 marks

Page 2 of 3	Mark Scheme	Syllabus	Paper
	AS and A Level Examinations - June 2002	9707	1

- Q6 (a) Answers should include discussion of the role of market research prior to entering a market to establish factors such as the size of the market, segmentation, potential demand, price sensitivity, promotional possibilities etc. The difference and different purposes of the two types should be brought out. Deeper analysis should bring out the cost-benefit aspects and the element of risk involved.

Knowledge and Application	Analysis and Evaluation
Level Two: Outlines the difference between primary and secondary research and indicates factors which the research will be expected to reveal. 3-5 marks	Level Two: Analysis of the relationship between cost and confidence levels as well as the uncertainty of any research. 4-5 marks
Level One: Partial understanding of the difference between and significance of the two types or knowledge of only one. 1-2 marks	Level One: Analysis of the significance of market research for a new company in a market. 1-3marks

- (b) Answers should show knowledge of the stages of the product life cycle and their significance for deciding on which marketing factors are most likely to be effective. They could refer to the need for investment to support R & D and growth products, for profiting from mature products and recognising the need for either an extension strategy or replacement.

Knowledge and Application	Analysis and Evaluation
Level Two: Answer shows full knowledge of stages with their significance for marketing. 4-5 marks	Level Two: Awareness of limitation of PLC and danger of placing too much faith in it in decision making. 4-5 marks
Level One: Only partial knowledge of the stages or limited application to marketing measures. 1-3 marks	Level One: Analysis of awareness of where a product is in its cycle and of different options needing decisions. 1-3 marks

- Q7 (a) Answers should include factors such as high volume, homogenous product with few variations; benefit of having dedicated equipment to give economies of scale, reducing VC, especially labour if expensive, unreliable or in short supply. May be quality issue with less handling, quicker time scale.

Knowledge and Application	Analysis and Evaluation
Level Two: Answer demonstrates good understanding of the different processes and the reasons for change. 3-4 marks	
Level One: Some awareness of the difference between the two processes but no great understanding of reasons for change. 1-2 marks	Level One: Analysis and development of the reasons for change. 1-4 marks

Page 3 of 3	Mark Scheme	Syllabus	Paper
	AS and A Level Examinations - June 2002	9707	1

(b) Answers should identify and discuss a range of HR problems which arise directly from the change from batch to flow production. These could include issues relating to staff insecurity, resistance to change, de-motivation, boredom, poor quality work, and uncertainty regarding new roles in a changed work environment.

Knowledge and Application	Analysis and Evaluation
Level Two: Full discussion of a range of HR problems. 4-6 marks	Level Two: Analysis or evaluation of the potential costs to the manufacturers of these HR problems. 4-6 marks
Level One: Outline a limited number of HR problems. 1-3 marks	Level One: Analysis of the significance and potential impact of HR problems. 1-3 marks