

Mark Scheme Summer 2009

GCE

GCE Applied Business (8721 - 9722)

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Publications Code UA021088

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Unit 1

For all questions, accept any reasonable answer if it is correct

1 (a)		
AO	Mark allocation	Exemplar answers
<p>AO1 MB1 = 4</p>	<p>1 mark for each requirement</p> <p style="text-align: right;">(4 marks)</p>	<ul style="list-style-type: none"> • Must have shares • Offer its shares for sale to the general public. • Decide on company name • Register with Companies House • Comply with Companies Act • Have a registered company address • Its memorandum of association must contain a clause stating that it is a public limited company, company name, type of business etc. • Produce articles of association, outlining director's powers, shareholder rights, etc. • Its name must end with 'Public Limited Company' or 'plc' (or if it is a Welsh company, the Welsh equivalents 'Cwmni Cyfyngedig Cyhoeddus' or 'CCC'). • It must have an authorised share capital of at least £50,000. • Before it can start business, it must have allotted shares to the value of at least £50,000. A quarter of them, £12,500, must be paid up. Each allotted share must be paid up to at least one quarter of its nominal value together with the whole of any premium • Must have at least two company directors. • Must have a company secretary. • Set up a register of shareholders

1 (b)		
AO	Mark allocation	Exemplar answers
<p>A01 MB1 = 2</p> <p>A02 MB2 = 2</p>	<p>1 mark for why objective is appropriate (maximum 2 marks)</p> <p>1 mark for application to this business (maximum 2 marks)</p> <p>(4 marks)</p>	<ul style="list-style-type: none"> • Hotel/business will have the overhead of running the hotel all the year round/hotel is open 365 days a year - whether rooms are occupied or not - to cover/exceed break even costs hotel needs to maximise room occupancy - this can only be done by extending the period when hotel is used/rooms occupied • To help overcome the staffing/resource problems caused by seasonality - at high seasons there will be a lot of competition for temporary/casual staff from other hotels - if the <i>Abinn Hotel</i> could reduce the peaks and troughs of demand - it would be easier to plan/manage demand for staff

		Indicative content	12 marks
1 (c)		<p>Valid points could include:</p> <ul style="list-style-type: none"> • Responsibility to do own job properly • Duty of care - to look after/protect other members of staff if they are hurt/in danger • Keep the workplace safe - to avoid creating danger for other staff • To follow the requirements of the Health & Safety at Work Act • To be a good team member - to help make sure that team performs as required/expected • To be supportive - part of being in a team • Not to discriminate/not to be discriminatory - as this is illegal and could result in legal action being taken by other employees • Not to be rude/abusive/offensive - so that everyone gets on and works as a team with common goals <p>A level 3 response could follow a single point of discussion such as: <i>All employees have a duty of care - this means that they should to look after and protect other members of staff if they are hurt - they should call for professional assistance - such as a first aider - and make sure that they do not become hurt themselves - they should report how the other employee became hurt - and follow the formal process for reporting accidents - they should make sure that other employees do not also get hurt in the same way - this process is all based on the Health & Safety at Work Act - which is designed to protect all employees - accidents in the workplace cost industry a lot of money - and can have a negative effect on individual businesses.</i></p> <p>Alternatively, a Level 3 answer could be made up of a number of different examples of responsibilities, which the candidate draws together to show that they have a good understanding of the overall responsibilities.</p> <p>Knowledge of employee's responsibilities may be implied by examples given by candidates.</p>	
Level	Mark	Descriptor	
	0	No rewardable material	
Level 1	1-4	Candidate shows some basic knowledge of general responsibilities	
Level 2	5-8	Candidate applies knowledge of general responsibilities by using examples in a workplace context	
Level 3	9-12	Candidate presents salient points of discussion, examples of general responsibilities, examples discussed in a workplace context and sums this up to present an overall understanding of employee's responsibilities	

1 (d)		
AO	Mark allocation	Exemplar answers
<p>AO1 MB1 = 1 MB2 = 1</p> <p>AO3 MB1 = 2</p>	<p>1 mark for financial objective</p> <p>1 mark for why financial objective has been set</p> <p>1 mark for analysing why financial objective has been set (maximum 2 marks)</p> <p>(4 marks)</p>	<p><u>Basingstoke Tyres Ltd</u></p> <ul style="list-style-type: none"> Kevin, the owner, has set the fitters the target of achieving sales of £150,000 in current year - will give workforce something to work to - giving them an achievement that can be measured - should help team to work harder/make business more successful <p><u>Mydesign Jewels</u></p> <ul style="list-style-type: none"> When she left college, Samantha decided that she would start he own business making and selling jewellery, her financial target was to break-even in first year - this will cover all costs and overheads - mean that business has not lost any money - demonstrates that business is relatively successful and should be able to continue trading <p><u>Smith's Estate Agency</u></p> <ul style="list-style-type: none"> To achieve a profit of £250,000 this year - business needs profit to pay for overhead costs of shop premises, staff and vehicles - business also needs to pay back bank loan - <i>Smith's</i> may not survive if it does not make profit

1 (e)		
AO	Mark allocation	Exemplar answers
<p>AO1 MB2 = 3</p> <p>AO2 MB2 = 1</p> <p>AO3 MB3 = 2</p>	<p>1 mark for describing function/functional areas (maximum 3 marks)</p> <p>1 mark for how named function/functional areas work together</p> <p>1 mark for points of discussion about how working together contributes to the success of the business (maximum 2 marks)</p> <p>(No marks for just naming functions/functional areas)</p> <p>(6 marks)</p>	<p><u>DIY Products Ltd.</u> <u>Marketing and Sales</u></p> <ul style="list-style-type: none"> The marketing team is responsible for all aspects of launching new products - the sales team is responsible for introducing the new products to retail customers - the marketing team produces sales promotion materials like product samples/poster/leaflets/advertising for the sales team to use - the sales team takes the sample/promotional material and uses it to show retail customers what a great new product it is - having shown product/promotion to retail customers the sales team take orders and product is delivered into stores - without the new products/materials produced by marketing team the sales team would not be as effective in their selling task, but with the support of marketing they can make the sales and increase the income/turnover of the business <p><u>Universal Paints Ltd.</u> <u>Finance and Production</u></p> <ul style="list-style-type: none"> The finance department looks after the company accounts and manages the company budget - the production department makes all the goods that business sells - if the production department wants a new machine it has to put together a budget and forecast for the board of directors to decide whether the business can afford the new machine - the finance department helps production by analysing costs/figures - by working together the finance and production departments can provide the board with breakdowns of costs/break even/depreciation - by working together the company's money is spent more wisely and they are less likely to make capital purchases that they cannot afford/are not worth making

2 (a)		
AO	Mark allocation	Exemplar answers
<p>AO2 MB1 = 4 MB2 = 1 MB3 = 1</p> <p>AO3 MB1 = 1 MB2 = 1</p>	<p>1 mark for basic technique (maximum 4 marks)</p> <p>1 mark for application to situation (maximum 2 marks)</p> <p>1 mark for expanding on how motivation techniques could work in given situation (maximum 2 marks)</p> <p>(8 marks)</p>	<ul style="list-style-type: none"> • Regular appraisal - see each employee on a one-to-one - to discuss what is going well/what is not going well - provides an opportunity to let off steam/complain/comment of current work situation - in return employees would receive reassurance from management that their job is secure - plus moral boosting feedback - as a result employees feel more positive towards the business - and are likely to work better • Introduce incentives for length of service - employees receive a benefit if they qualify - such as bonus payment or additional days off - when employees reach milestones - such as 1 year, 2 years etc. - incentive should be worthwhile - good enough to encourage demotivated employees to stay longer with the <i>Abinn Liverpool</i> - employees stay on to make sure that they qualify and receive incentive • Introduce greater opportunities for promotion - set up a promotional hierarchy that has lots of levels - that employees could climb up - these give employees an opportunity for progression - this will give employees a positive outlook if they think that they can increase their status/position and probably wage - this should encourage them to stay with business longer as there is a greater chance of promotion - business get motivated staff who want to succeed and be promoted - as a result they work harder/better <p><u>Other basic techniques could include:</u></p> <ul style="list-style-type: none"> • Training • Improving conditions • Exit interviews

Question Number		Indicative content	12 marks
2 (b)		<p>Valid weak points that could be improved include:</p> <ul style="list-style-type: none"> • Working hours not stated • Full address not given • No details of any formal/professional qualifications that may help applicant secure position • No suggestion of how wage can be maximised/boosted • Minimum wage offered could put off potential applicants • Too much to read/too much detail for most applicants • No information about how to apply • No reference to method of application/application form • Use of local newspaper could be limiting/restrictive <p>A Level 3 response might include: <i>Cilla plans to use a local newspaper for the advertisement - this is only going to be read by people in Liverpool - this could limit the number of people that are interested - she may get a better response if she uses a newspaper with a wider circulation - could attract people from different areas - alternatively she could consider using a national chain of recruitment agencies that specialise in recruiting staff for the service industries such as hotels - they will have a lot of people on their books who are looking for work in hotels - Cilla is likely to get applications from people who have experience in hotels - rather than the general readers of the local newspaper</i></p> <p>Alternatively, a Level 3 answer could be made up of a number of different examples of weaknesses in Figure 1, which the candidate deals with in turn, presenting an overall approach to how the recruitment advertisement could be improved.</p> <p>Identification and understanding of weaknesses may be implied by the way that candidate makes positive suggestions for improvement.</p>	
Level	Mark	Descriptor	
	0	No rewardable material	
Level 1	1-3	Candidate picks out basic examples of problems/weaknesses in Figure 1.	
Level 2	4-7	Candidate applies knowledge by explaining why weaknesses identified are in fact likely to cause problems	
Level 3	8-12	Candidate gives appropriate advice on how advertisement copy and recruitment process could be improved.	

2 (c)		
AO	Mark allocation	Exemplar answers
<p>AO1 MB2 = 2</p> <p>AO2 MB1 = 2</p> <p>AO4 MB1 = 2</p>	<p>1 mark for knowledge of recruitment process (maximum 2 marks)</p> <p>1 mark for application of recruitment process to named business (maximum 2 marks)</p> <p>1 mark for judgement or conclusion related to recruitment process for named business (maximum 2 marks)</p> <p style="text-align: right;">(6 marks)</p>	<p><u>McDonalds, Faversham</u></p> <ul style="list-style-type: none"> When they have a vacancy the manager writes out a job description - and a person description - these are typed-up and printed out on a sheet of A4 paper like a mini-poster - this paper is stuck onto the window of the McDonald's - so that anyone passing by or coming into the restaurant can see it - for this situation this is quite a good way of getting staff because lots of people can see the poster - it is also a very cheap way to attract staff as it does not cost anything to hand the poster in the window. <p><u>Mars, Slough</u></p> <ul style="list-style-type: none"> Mars use a national newspaper to recruit graduate trainees for their sales team - the HR department will develop a suitable advertisement based on a brief written by the sales director - it is advertised in the Daily Telegraph on Thursdays - applicants have to email for an on-line application form - which is returned to the HR department - this is the traditional way of advertising vacancies for sales teams - Thursday is the day when most sales vacancies are advertised so they get lots of potential sales people reading the paper on that day.

2 (d)		
AO	Mark allocation	Exemplar answers
AO1 MB3 = 1	1 mark for general understanding of the IIP scheme	<ul style="list-style-type: none"> IIP is a voluntary assessment standard that aims to improve the organisational performance of businesses and other organisations through better planning, implementation and evaluation of learning and development programmes, across organisations of all sizes and sectors IIP helps a business to identify training needs/plan investment in staff training
AO2 MB3 = 3	1 mark for application to chosen business (maximum 3 marks)	<p><u>Plan</u></p> <ul style="list-style-type: none"> Investigate/research current position of business The directors realised that business was losing out to better organised/better run competitors The HR/Training Director looked at the IIP website for information Directors see why going for IIP would be a good thing for the business The Managing Director called in a specialist training organisation to help the business achieve IIP <p><u>Do</u></p> <ul style="list-style-type: none"> Business started to assess its performance against the ten indicators/measures within the IIP standard Business started to reorganise when it identified weaknesses in a department All of the employees were given training in IIP standards and told that their performance against these standards would form part of their regular appraisal <p><u>Review</u></p> <ul style="list-style-type: none"> IIP standards checked and reviewed regularly by quality control manager All employees reviewed against IIP standards when they are appraised Independent reviewers brought in each year to check that business continues to perform to standards/to highlight any weaknesses that need to be addressed
	(4 marks)	

3 (a)		
AO	Mark allocation	Exemplar answers
AO1 MB1 = 2 MB2 = 2 MB3 = 1	1 mark for method of motivation that is not cash (maximum 2 marks) 1 mark for how method can motivate staff (maximum 4 marks)	<ul style="list-style-type: none"> • Regular appraisal - keeps a regular check on each member of the team - to make sure that they are meeting/improving their standards - if staff know that they are being appraised regularly they will be less likely to let their standards drop - as they are likely to get caught/noticed - regular appraisal also means that the restaurant manager can make changes as required • Training - by providing training staff will be better equipped to raise standards - can be focussed on weaknesses identified - links in with appraisal - which can highlight training needs - better trained staff should help raise standards • Keep your job - incentive couched within a threat - if restaurant achieves higher standards/more stars there is likely to be more work - more work means greater job security - if improvement is not achieved than some staff could lose their jobs <p>(Do not accept any answers that are based on cash as a motivator)</p>
	(5 marks)	

3 (b)		
AO	Mark allocation	Exemplar answers
AO1 MB3 = 4	<p>1 mark for legal responsibility (maximum 2 marks)</p> <p>+</p> <p>1 mark for development or application (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p>	<ul style="list-style-type: none"> • All applicants to be treated fairly and considerately - human rights law is included in UK employment legislation - all employers are responsible to make sure that there is no breach of this legislation • To not discriminate against applicants on the grounds of race - the 1976 Race Relations Act makes it unlawful for an employer to discriminate against anyone on racial grounds - this includes colour, nationality, ethnic or national origins • To not discriminate against applicants on the grounds of disability - under the Disability Discrimination Act it is unlawful for employers to discriminate against disabled people for a reason related to their disability - in all aspects of employment including recruitment • To not discriminate against applicants on the grounds of sexual orientation - all applicants have the right to be treated with respect - no matter what their sexual orientation • To not discriminate against applicants on the grounds of Age - this is enshrined in the 2006 Employment Equality (Age) Regulations - applicants should not be rejected because of their age <p><u>Other responsibilities could include:</u></p> <ul style="list-style-type: none"> • Minimum wage • Data protection • CRB checks

Question Number	Indicative content	
	11 marks	
3 (c)	<p>General examples of H&S checks that a sole trader working in customer's premises would need to carry out include:</p> <ul style="list-style-type: none"> • Conduct a risk assessment before setting up equipment • Conduct a risk assessment after equipment set up • Make changes as a result of risk assessments • Lift and carry equipment in a safe way • Ask management of hotel about their safety policy/plans • Investigate where exits are located • Investigate fire evacuation procedure <p>Applied examples that are specific to the work of a DJ, a hotel, or events where many people will be dancing include</p> <ul style="list-style-type: none"> • The need to check electrical connections • Cover hot light bulbs • Tape down all electrical leads • Warn dancers about use of strobe lights • No loose floor covering <p>A Level 3 response might include:</p> <p><i>DJ contacts duty manager of hotel - asks about any particular H&S requirements - as they are working on the premises DJ's have to follow Health & Safety guidelines at Abinn Liverpool - this will set the standards that they have to work to - this may or may not be higher than the standards they are used to - either way they will be working to the standards required at the hotel - they then conduct a risk assessment once equipment has been set up - and take action to make any changes required to reduce any risks identified - this is the standard procedure for risk assessment that should be followed by any business - even though they are sole traders/hired for the event the DJ's have a responsibility to work in a safe manner - to protect customers - and to protect themselves</i></p>	
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-4	Candidate gives general examples of H&S checks that a sole trader working in customer's premises could carry out
Level 2	5-7	Candidate applies knowledge by giving examples that are specific to the work of a DJ, a hotel, or events where many people will be dancing
Level 3	8-11	Candidate explains how H&S standards are maintained.

3 (d)		
AO	Mark allocation	Exemplar answers
AO2 MB1 = 4	<p>1 mark for how stakeholder influences how the business is run (maximum 4 marks)</p> <p>(No mark for just naming stakeholder)</p> <p>(4 marks)</p>	<p><u>J&R Foodmarket, Stotfold</u> <u>Customer</u> Customer buys goods from business - if customer is dissatisfied with goods or service they are likely to go elsewhere - business would lose sales/profit - so has to make changes/improvements to retain existing customers and attract new customers</p> <p><u>Zero's Nightclub, Hertford</u> <u>Local community</u> Local community has forced business to close early - this business/Zeros nightclub would regularly close at 3am and it customers would create a noise in the street disrupting local community - a petition was raised by community members who objected to late closing time, backed by threat of legal action/complaining to licensing authority - as a result the business/club now closes at 12.00 midnight, which is still late but a compromise agreed with representatives of local community</p>

3 (e)		
AO	Mark allocation	Exemplar answers
<p>AO1 MB2 = 2</p> <p>AO2 MB1 = 2</p> <p>AO4 MB1 = 2</p>	<p>1 mark for basic responsibilities associated with fire safety (maximum 3 marks)</p> <p>1 mark for application to chosen business (maximum 4 marks)</p> <p>(6 marks)</p>	<p>Basic responsibilities could include:</p> <ul style="list-style-type: none"> • Induction training • Fire doors • Fire extinguishers • Visitors book / badges / passes • Fire evacuation map • Use of approved signage • Regular checks on fire doors • Regular (fire) risk assessment • Keep all fire doors clear • Keep all floor/corridors clear • Regular fire drills • Training from local fire station staff • Check wiring/electrical equipment regularly • Implements a no smoking policy • Gives employees a handbook outlining fire safety procedure <p><u>Shiny Shoes, Kettering</u></p> <ul style="list-style-type: none"> • All new employees are shown where fire exits are located - each month they have a practice fire drill - Shiny Shoes does not store waste materials/waste paper on the premises -a lot of paper and packaging that its customers do not want is produced - storing this on the premises could create a fire risk - the manager of Shiny Shoes has arranged for waste to be collected daily to remove/reduce risk of fire in waste material

Unit 6

For all questions, accept any reasonable answer if it is correct

Q1 (a)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1 <u>AO2</u> MB1 = 1	1 mark for each advantage (2 marks)	<ul style="list-style-type: none"> • The other methods may not be seen by the schools and colleges. • Able to explain the benefits of the workshops. • Can target the person/drama teacher most likely to be interested.

Q1 (b)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1 <u>AO2</u> MB1 = 1	1 mark for each disadvantage (2 marks)	<ul style="list-style-type: none"> • Only people visiting the theatre will see the posters. • Will not be on view when the theatre is closed. • May be ignored if people are mainly thinking about what they are about to see in the theatre. • It is on a poster so interested people cannot take it away to refer to later.

Q2 (a)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 2	1 mark for each way (2 marks)	<ul style="list-style-type: none"> • Find out what plays, etc, will be showing. • Decide on how much detail to put into the booklet. • Create the templates for the printer to copy. • Decide how many copies need to be printed.

Q2 (b)		
AO	Mark allocation	Exemplar answers
<u>AO2</u> MB1 = 1 MB2 = 1 MB3 = 1 <u>AO3</u> MB1 = 1 MB2 = 1 MB3 = 1	1 mark for feature of the use of the booklets that will create a constraint (maximum 2 marks) 1 mark for why that comes from the way the booklet is used (maximum 3 marks) 1 mark for how effectiveness is constrained (maximum 2 marks) (A maximum of 4 marks for just one constraint, 1 + 2 + 1) (6 marks)	<ul style="list-style-type: none"> • Booklets are only produced twice a year - customers will need to keep the booklets if they want to know what is coming on between these time - could be misplaced/thrown away - will not be constantly reminded of what is on. • The database dictates who will receive booklets - it could be out of date - people may have changed address - sending out the booklets may be a waste of money in these cases. • Limited numbers will receive the booklets - booklets only sent to customers on the database - other potential customers will not receive the booklets - may make it less likely that they will book ahead.

Question Number	Indicative content	
	11 marks	
Q3	<p><u>AO2</u> MB1 = 1 MB2 = 1 MB3 = 1</p> <p><u>AO3</u> MB1 = 2 MB2 = 1 MB3 = 1</p> <p><u>AO4</u> MB1 = 2 MB2 = 1 MB3 = 1</p>	<ul style="list-style-type: none"> • Newspaper advertisement is weekly - leaflets only delivered monthly - newspaper advertisements available to be seen more often - newspaper may also be read by people outside of the town - leaflets only delivered to houses in the town - these two factors could mean more people see the newspaper advertisement in a month. • Leaflets delivered to every house - newspaper only seen by those who read it - people have to pay for the newspaper - the leaflets are provided free - the newspaper could, however, be read free in the local library - which was largest would depend on the readership compared to the number of houses. • This is the local newspaper and people will want to read the local news - the leaflets are delivered whether or not people want them - the leaflets may be seen as junk and thrown away - seeing what is on at the local theatre may also be seen as news - people will pay more attention to what is in the newspaper - the promotion may therefore get through to more people with the newspaper.
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-3	Appropriate features identified in the context of how <i>The HayWain</i> use the papers and leaflets. For full marks candidate must identify at least two distinct features.
Level 2	4-6	Comparison of features to other method. For full marks candidates must compare more than one feature.
Level 3	7-9	Explanation of why that would mean one or the other reached most people. For full marks there must be comparison with other methods.
Level 4	10-11	Reasoned conclusion as to which method reaches more people. For full marks candidate should consider negative points as well.

Q4(i) & (ii)		
AO	Mark allocation	Exemplar answers
<p><u>AO1</u> MB1 = 3 MB2 = 1</p>	<p>1 mark for example</p> <p>1 mark for why that shows the type of promotion</p> <p>(1 + 1) x 2</p> <p style="text-align: right;">(4 marks)</p>	<p><u>Public Relations</u></p> <ul style="list-style-type: none"> • Free booklets and fact sheets - promotes HCC as wanting to keep the public informed. • Press releases - promotes the business favourable in a non-paid for way. <p><u>Ambient</u></p> <ul style="list-style-type: none"> • National Beef Day - this is a non-standard way of promoting. • Stalls at exhibitions - this is in the environment of the target market.

Q5(a)		
AO	Mark allocation	Exemplar answers
<p><u>AO2</u> MB1 = 2 MB2 = 1</p> <p><u>AO3</u> MB1 = 2 MB2 = 1</p>	<p>1 mark for identifying step (maximum 2 marks)</p> <p>1 mark for explaining the step (maximum 2 marks)</p> <p>1 mark for why that would help to promote Welsh lamb and beef outside of the UK (maximum 3 marks)</p> <p>(Maximum 4 marks for just one step)</p> <p style="text-align: right;">(6 marks)</p>	<ul style="list-style-type: none"> Stalls at exhibitions across Europe - samples of products will be on show / also representatives from the industry - will allow trade customers to see/sample the products - representative can persuade customers of the quality of the products. DVD/Video in different languages - languages can be chosen on the basis of the main non-English markets - customers in other countries will understand the promotional messages - the main message about quality, etc., will be received by the target audience. Working with retailers in European markets - will be able to advise retailers on the range of products available - these products may be new to foreign retailers - will then know what is available and can order. <p>(NB, Best approach (1 + 1 + 1) x 2 - likely approach, e.g., (1 + 1 + 2) plus (1 + 1 + 0) - many other acceptable combinations.)</p>

Q5 (b)		
AO	Mark allocation	Exemplar answers
<p><u>AO2</u> MB1 = 1 MB2 = 1</p> <p><u>AO4</u> MB1 = 1 MB2 = 1</p>	<p>1 mark for way</p> <p>1 mark for how it would work</p> <p>1 mark for why it would show effectiveness</p> <p>1 mark for why it may not show effectiveness</p> <p style="text-align: right;">(4 marks)</p>	<ul style="list-style-type: none"> Check sales to non-UK countries - increased sales could be matched against the timing of promotions - if both increased it would suggest that the promotion had been effective - sales could have increased for other reasons such as shortage of supply in the foreign country. Record number/size of orders taken at exhibitions - will record directly the effect of this promotion - will be effective if there are many orders / the orders are large - if customers feel pressured order may not be repeated.

Q6 (a)		
AO	Mark allocation	Exemplar answers
<p><u>A02</u> MB2 = 1 MB3 = 1</p> <p><u>A03</u> MB1 = 1 MB2 = 1</p> <p><u>A04</u> MB1 = 2</p>	<p>1 mark for objective (maximum 2 marks)</p> <p>1 mark for how the advertisement achieved this (maximum 2 marks)</p> <p>1 mark for why <i>HCC</i> would want to achieve that objective (maximum 2 marks)</p> <p style="text-align: right;">(6 marks)</p>	<ul style="list-style-type: none"> • Make the product appeal to the target audience - joint being 'lovingly prepared' - will make audience feel that the lamb dish is something special - target audience more likely to be persuaded to buy the product. • Promote red meat products from Wales - show rain soaked Welsh landscapes - re-enforces many people's image of Wales - they will associate the meat with the country. • Capture audience attention - alternating between roasting meat and the landscape - shows contrast between comfort and discomfort - makes viewers more interested - will then be more likely to remember the product.

Question Number	Indicative content	
	12 marks	
Q6 (b)	<p><u>Other methods</u></p> <ul style="list-style-type: none"> • National Beef Day. • Booklets and factsheets. • DVD/video. • Press releases. <p><u>Analysis</u></p> <ul style="list-style-type: none"> • Television will reach a wider audience - the advertisement is placed on national television - booklets and factsheets will only be available in specific locations or by contacting <i>HCC</i> - this will limit the number of people having access to these - in terms of reaching as many people as possible television is likely to be the most effective. • Television will be seen in the home - requires minimum effort by the viewer - booklets, factsheets, DVDs and videos will have to be sent off for/picked up in store - consumers may not bother - promotion by television is more likely to be seen than through the other methods. • Television is likely to have an effective visual impact - it is in colour and is shown for 30 seconds - press releases will only be seen by those reading the papers - may be ignored if they are mainly print - the DVD/video will have a visual impact - but must be sent off for and specifically loaded into the DVD/video player - television will provide a more instantaneous stimulus. <p>(Maximum of 9 marks for considering just one positive feature of promotion by television)</p>	
	<p><u>AO1</u> MB1 = 1 MB2 = 1 MB3 = 2</p> <p><u>AO2</u> MB1 = 1 MB2 = 1 MB3 = 2</p> <p><u>AO3</u> MB2 = 1</p> <p><u>AO4</u> MB1 = 1 MB2 = 1 MB3 = 1</p>	
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-3	Identification of methods targeted at consumers and basic features of television advertising. Limit of 2 marks if only basic features considered.
Level 2	4-6	Application to how <i>HCC</i> uses these methods. These need to consider how <i>HCC</i> uses television to promote its products, or how it uses other methods compared to television.
Level 3	7-9	Comparison with other correct methods. For full marks more than one feature must be compared, or one feature must be compared with more than one other method.
Level 4	10-12	Reasoned conclusion as to why television will be more effective.

Q7		
AO	Mark allocation	Exemplar answers
<u>A01</u> MB1 = 1 MB2 = 1 MB3 = 1 <u>A02</u> MB1 = 2	1 mark for benefit (maximum 2 marks) 1 mark for why the benefit comes from having one organisation (maximum 3 marks) (5 marks)	<ul style="list-style-type: none"> • Lower costs - economies of scale/farms' promotional costs will be shared - individual farms would not be easily able to promote nationally/international - this would be very expensive. • Greater access to the market - <i>HCC</i> promotes across the UK and in Europe - <i>HCC</i> will have experts who know how to approach these markets - individual farmers are unlikely to have sufficient experience/ contacts.

Q8(a)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1 MB2 = 1	1 mark for name/description of product 1 mark for season and campaign (2 marks)	(M&S has been used as an example for Q8) <u>Name/description of product</u> - Marks and Spencer (M&S)/Clothes retailer. <u>Season</u> - January/post Christmas. <u>Campaign</u> - January sales.

Q8 (b)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB2 = 1 <u>AO2</u> MB1 = 1 MB2 = 1 <u>AO4</u> MB1 = 1	1 mark for feature of the season/time of year (maximum 2 marks) 1 mark for why that relates to the business/product/season (maximum 3 marks) (4 marks)	<ul style="list-style-type: none"> January is traditional for the sales of clothes in the High Street - stocks were brought in for the Christmas period - these were mainly winter garments - new stock needs to be brought in for spring so this stock is being sold off cheaper. Close to the end of the winter buying season - people tend to buy winter clothes before winter - most people will have the clothes they need by January - January sale used to get people to buy clothes they really do not need/for next winter.

Q8 (c)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1 MB2 = 1 <u>AO3</u> MB2 = 2 MB3 = 1	1 mark for feature (maximum 2 marks) 1 mark for how that was used for the campaign (maximum 3 marks) (4 marks)	<ul style="list-style-type: none"> January sales traditionally took place in January - M&S like many stores started the sales after Boxing Day - helped to make people feel they were getting bargains early - matched what the competitors were doing. Season is still cold - window displays showed winter clothes - also emphasised major price cuts - together these help to raise interest and action.

Q9 (a)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1	1 mark for name or description of product and name of personality (1 mark)	(<i>L'Oréal</i> Paris has been taken as an example for Q9) • <i>L'Oréal</i> Paris, Revitalift anti-wrinkle and firming cream, Andie MacDowell

Q9 (b)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1 MB2 = 2	1 mark for each distinct point of description (3 marks)	<ul style="list-style-type: none"> • Seen applying cream. • Explains how it helps reduce wrinkles. • Recommends its use to other women. • Uses the phrase 'because we're worth it'.

Q 9(c)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1 MB3 = 1 <u>AO2</u> MB1 = 1 <u>AO3</u> MB1 = 1 <u>AO4</u> MB1 = 1 MB3 = 1	<p>1 mark for general feature of the personality that would support his/her use in an advertisement</p> <p>1 mark for why that would support his/her use in the advertisement (maximum 2 marks)</p> <p>1 mark for specific feature of the personality related to the product</p> <p>1 mark for why that would make him/her suitable for this product (maximum 2 marks) (6 marks)</p>	<ul style="list-style-type: none"> • Andie MacDowell is a well known actress - will be recognised by the target audience - they will pay attention to what she says because they respect her - she is (was) 49 years old - still has very good looking skin - will suggest that this skin care product is effective.

Q10 (a)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1	1 mark for name of business and main objective of the advertisement (1 marks)	(<i>BAA plc</i> has been taken as an example for Q10) <u>Name</u> - <i>BAA plc</i> . <u>Main objective</u> - To ensure customers that food and drink prices at Stansted airport were the same as for the same retailers in the high street.

Q 10 (b)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB2 = 1 MB3 = 1 <u>AO2</u> MB2 = 1 MB3 = 1 <u>AO3</u> MB2 = 1 MB3 = 1	1 mark for complaint 1 mark for each distinct issue that was considered (maximum 4 marks) 1 mark for the action (6 marks)	<u>Complaint</u> <ul style="list-style-type: none"> That prices were actually higher and that the advertisement was therefore untrue. <u>Specific issues</u> <ul style="list-style-type: none"> <i>BAA</i> stated that it regularly checked prices - that it required the retailers at Stansted to set their prices at the same level as the high street - however, the branches chosen for comparison were in central London - retailers admitted that these were higher than in normal high street outlets. <u>Action</u> <ul style="list-style-type: none"> <i>BAA</i> must not use the claim in future advertising.

Q10 (c)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1 <u>AO2</u> MB1 = 1 <u>AO3</u> MB1 = 1	1 mark for basic effect 1 mark for how that would affect the public image (maximum 2 marks) (3 marks)	<ul style="list-style-type: none"> <i>BAA</i> will have been seen to be telling a lie - customers will lose faith in the business - will not necessary believe what else they are being told by <i>BAA</i>. Many customers will now know that prices are actually higher - may consider that they are being exploited when they visit the airport - may feel that <i>BAA</i> is responsible and lose respect for the business.

Unit 10

For all questions, accept any reasonable answer if it is correct

Q1 (a)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1	1 mark for reason (1 mark)	<ul style="list-style-type: none"> The data has already been published. The data was not collected by <i>Write 2000</i>, it already existed.

Q1 (b)(i)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1 MB2 = 1 <u>AO2</u> MB1 = 2 MB2 = 1	<p>1 mark for showing understanding of observation (may be implied)</p> <p>1 mark for method of observation used (maximum 2 marks)</p> <p>1 mark for how that would allow <i>Write 2000</i> to check the data (maximum 3 marks)</p> <p style="text-align: right;">(5 marks)</p>	<p><u>Meaning</u> - Research by seeing what is happening.</p> <p><u>Method</u></p> <ul style="list-style-type: none"> (1) Visit charity shops - note what products are being displayed for sale - check the amount/space available for selling each type of product - match this against the data shown in Figure 2. (2) Watch what customers are buying - record the amounts being sold - check against the percentages shown on Figure 2 - note any differences to see how accurate the graph was.

Q1 (b)(ii)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB3 = 1 <u>AO4</u> MB1 = 1 MB2 = 1	<p>1 mark for basic reason (maximum 2 marks)</p> <p>1 mark for why that would provide inaccurate information (maximum 2 marks)</p> <p style="text-align: right;">(3 marks)</p>	<ul style="list-style-type: none"> (1) Simply seeing what is available for sale does not show what was actually sold - some items could stay on display for months whilst other sold very rapidly - some products/CDs will take up little space but may sell very well. (2) Watching what is being sold will only give data for when the observation took place - completely different purchases may be taking place at other times - there will also be different numbers of people in the shop at different times. <p>(NB the answer to part (ii) must relate to the type of observation identified in part (i))</p>

Q2 (a)		
AO	Mark allocation	Exemplar answers
<u>AO2</u> MB1 = 1	1 mark for effect on pricing	<ul style="list-style-type: none"> Prices will need to be kept low - people expect to pay less for second-hand products/many of these goods will have lost value from when they were new. Prices will need to be competitive - must generally be lower than for new clothes & shoes/most charity shops will be selling similar second-hand products.
<u>AO3</u> MB1 = 1	1 mark for why that will come from the products being second hand (2 marks)	

Question Number	Indicative content	
	11 marks	
Q2(b)	<ul style="list-style-type: none"> Clothes and shoes is the largest market (1) - over 60% of what people buy (1) - the next largest market of bric-a-brac is only a quarter of this/only 15% (2) - however, people coming to look for clothes and shoes may look through the other products (3) - this could help to raise additional money (3). People are interested in a wide range of products in charity shops (1) - nearly 40% of purchases are not clothes or shoes (1) - providing a wide range is likely to bring in more customers (3) - this would increase the overall takings of the shop (3) - if most people want just clothes and shoes however, stocking other products may just waste space (3). Furniture can take up a lot of space (1) - it accounts for less than 5% of sales (1) - this could stop other items from being displayed that are more likely to sell (3) - clothes and shoes take up comparatively less space (2) - this could be a more profitable than stocking large items which have a low turnover (3). <p>(NB there are many possible approaches to answering this question)</p>	
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-4	Benefits of clothes and shoes and/or other products shown on Figure 2. For full marks at least two distinct benefits must have been identified.
Level 2	5-8	Basic comparison of selling the two ranges. The comparisons should be based on the benefits identified at Level 1. For full marks these should be comparison of at least two benefits.
Level 3	9-11	Reasoned conclusion as to which would be best for <i>Write 2000</i> . For full marks the nature of this business as a charity should be considered.

Q3(a)		
AO	Mark allocation	Exemplar answers
<u>AO3</u> MB1 = 2 MB2 = 1 <u>AO4</u> MB1 = 1 MB2 = 1 MB3 = 1	1 mark for nature of the charity 1 mark for why that would make it sensible to sell to students (maximum 2 marks) (Repeat for nature of the products being sold) (1 + 2) x 2 (6 marks)	<u>Nature of charity</u> <ul style="list-style-type: none"> Raising funds for removing illiteracy - students will have received a good education - may be more willing to support charities that people who have not had that education will benefit from. <u>Nature of the product</u> <ul style="list-style-type: none"> Products are second hand - will be relatively cheap to buy - many students have limited incomes. Products include furniture - rented accommodation may have limited furniture - may be attracted by cheap second-hand furniture.

Q3(b) (i)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 2	1 mark for correct labelling of market and product 1 mark for correct labelling of extremes (2 marks)	<u>Horizontal</u> , Product(s) <u>Vertical</u> Market(s). <u>Extremes</u> A - Existing/present/current/old - and -New. B - Existing/present/current/old - and - New

Q3 (b)(ii) & (iii)		
AO	Mark allocation	Exemplar answers
<u>AO2</u> MB1 = 1 <u>AO4</u> MB1 = 1 MB2 = 1 MB3 = 1	(ii) 1 mark for correct section (1 mark) (iii) 1 mark for recognition of present position 1 mark for why new product 1 mark for why new market (3 marks)	(ii) - Diversification. (iii) <ul style="list-style-type: none"> Currently only raising funds through direct donations - shops are a completely new way of raising funds/completely new product, clothes, etc, being sold - market was people who support the charity, it will now be anyone wanting clothes, etc, in the high street.

Q4 (i)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 2 <u>AO2</u> MB1 = 2	1 mark for identifying the actual external influence for <i>Write 2000</i> 1 mark for possible negative effect (1 + 1) x 2 (4 marks)	<u>Social</u> <ul style="list-style-type: none"> Changing attitudes to charity work - if people think it is less important they will not donate clothes/purposely buy from the shops. <u>Environmental</u> <ul style="list-style-type: none"> People are recycling less items - may not be giving the second-hand items Write 2000 needs for re-sale in the shops.

Q4(ii)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB2 = 1 MB3 = 1 <u>AO2</u> MB2 = 1 MB3 = 1 <u>AO4</u> MB1 = 1 MB2 = 1	1 mark for the appropriate use of the marketing mix 1 mark for how that would minimise the negative effect (maximum 2 marks) (1 + 2) x 2 (6 marks)	<u>Social</u> <ul style="list-style-type: none"> Heavy advertising campaign - stressing the need to support people in other countries who cannot read and write - make people feel that supporting the cause is important. Use a well known celebrity to publicise the charity - this will create interest - will be ready to support the charity because someone whom they look up to does. <u>Environmental</u> <ul style="list-style-type: none"> Provide clothes, etc, banks - place these in conveniently locations - if people see that recycling is easy they are more likely to recycle items. <p>(NB, the choice of the marketing mix element must relate to the negative effects given in (i))</p>

Question Number	Indicative content		11 marks
Q5	<p><u>AO1</u> MB2 = 1 MB3 = 1</p> <p><u>AO2</u> MB1 = 2 MB2 = 2 MB3 = 1</p> <p><u>AO3</u> MB1 = 1</p> <p><u>AO4</u> MB1 = 2 MB2 = 1</p>	<p><u>Shops</u></p> <ul style="list-style-type: none"> • Will be in direct competition (1) - <i>Oxfam</i> has 2 to 6 shops in each location (1) - are selling general goods as is <i>Write 2000</i> (2) - in Southampton and Portsmouth <i>Oxfam</i> have more outlets (2) - likely to attract more customers overall (3) - will take custom away from <i>Write 2000</i> (3) - in Winchester both have one shop so should be able to compete with general sales more equally (4). • <i>Oxfam</i> offers customers 10 shops compared to <i>Write 2000</i>'s 3 shops (1) - 6 of the shops are general and 4 specialist (1) - <i>Write 2000</i> will only offer general shops (2) - customers who only want music or books may first go to these <i>Oxfam</i> shops (3) - these customers may not visit <i>Write 2000</i> even though it sells music and books (3) - this problem should not occur in Portsmouth as <i>Oxfam</i> has no specialist shops there (4). <p><u>Banks</u></p> <ul style="list-style-type: none"> • Public will use these banks for unwanted items (1) - will reduce the items available for <i>Write 2000</i> (1) - will have to get items from other sources (3) - will be difficult as it is just starting its shops (4) - <i>Oxfam</i> offers at least 3 clothing banks in each location (1) - these will go directly to <i>Oxfam</i> (3) - the public has got into the habit of recycling through the banks and are unlikely to just switch to supplying <i>Write 2000</i> (4). • There are 3 or 4 clothing banks in each town/city (1) - provides people with various places to deposit clothes (1) - <i>Write 2000</i> will only have one shop in each location (2) - clothes are the main item sold by charity shops (3) - <i>Write 2000</i> may find it has to stock more of other items, such as furniture (3) - as these are less popular there may be lower sales (4) - may need to consider setting up its own banks for clothes, music and books (4). <p>(maximum of 7 marks for just shops or just banks)</p>	
Level	Mark	Descriptor	
	0	No rewardable material	
Level 1	1-2	Identify and state basic effect of shops and banks. This will show either details such as the number of shops or general comments on competition.	
Level 2	3-4	Comparison of <i>Oxfam</i> 's facilities with <i>Write 2000</i> 's facilities. Candidates need to compare two distinct facilities for full marks.	
Level 3	5-8	Explanation of why the facilities shown on Table 1 will affect <i>Write 2000</i> . For full marks more than one effect should be explained.	
Level 4	9-11	Assessment of the level of impact that these facilities will have on <i>Write 2000</i> , based on the number of shops and the type of banks.	

Q6(a)		
AO	Mark allocation	Exemplar answers
<p><u>AO1</u> MB1 = 1 MB2 = 1</p> <p><u>AO2</u> MB1 = 1 MB2 = 1</p>	<p>1 mark for identifying the target population</p> <p>1 mark for why that was the target population for this survey</p> <p>(Repeat for sample frame)</p> <p>(1 + 1) x 2</p> <p style="text-align: right;">(4 marks)</p>	<p><u>Target population</u></p> <ul style="list-style-type: none"> Students - these were the group that the Directors wanted to find information about. <p><u>Sample frame</u></p> <ul style="list-style-type: none"> Every student in the three universities - any of these students could have been selected for the survey/none of the students were excluded from the survey.

Question Number	Indicative content	
	11 marks	
Q6(b)	<p><u>Effective</u></p> <ul style="list-style-type: none"> Questionnaires were sent out by the academic registrars (1) - they would have contact details for all students (1) - could ensure that the questionnaires were sent to correct addresses (2) - students likely to open post received directly from the university (2) - however, students may feel that it is not the role of the university to pass on questionnaire for shops (3) - may, however, throw it away without reading it fully (3). £100 of book tokens offered to three students (1) - would encourage return of the questionnaire (2) - particularly attractive to students who often need expensive books (2) - 87% return rate is a good response (3) - only three prizes were offered (3) - students may think the chances of winning are very low so not bother (3). <p><u>Not effective</u></p> <ul style="list-style-type: none"> Possibility of winning book tokens comes from completing the questionnaire (1) - there is no additional benefit for completing it accurately (2) - students may be tempted to put down what they think <i>Write 2000</i> wants to see (2) - the information might not be what the students actually believe so it could be inaccurate (2) - if the questions were carefully constructed this would be less of a problem (3) - asking students how much they spend on clothes rather than where they buy them (3). A random sample was used (1) - this will give all students an equal chance of being chosen (1) - students in different years may have different shopping habits (2) - a quota sample may have been more useful (3) - however, questions can be included that provide a profile of the students (3) - shopping habits for different years could then be established (3). <p style="text-align: center;">(Note: maximum 7 marks for just one side)</p>	
	<p><u>AO2</u> MB1 = 1</p> <p><u>AO3</u> MB1 = 1 MB2 = 1 MB3 = 1</p> <p><u>AO4</u> MB1 = 3 MB2 = 2 MB3 = 2</p>	
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-4	Identification of features that would have made the research effect or ineffective.
Level 2	5-8	Explanations of why the identified features would have made the research effective or ineffective. For full marks both features that would have made the research effective and features that would have made the research ineffective must be considered.
Level 3	9-11	Consideration of why each feature that was considered effective/ ineffective might not have been effective/ ineffective. Answers must provide a balanced view of each feature identified.

Q7 (a)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1	1 mark for business and strategic decision (1 mark)	<i>McDonalds</i> has been taken as the example for Q7. <u>Business</u> - <i>McDonalds</i> . <u>Strategic decision</u> - To introduce a range of healthier food products in its restaurants. •

Q7 (b)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1 MB2 = 1 <u>AO2</u> MB1 = 1 MB2 = 1 <u>AO3</u> MB2 = 1 MB3 = 1	1 mark for change in marketing mix 1 mark for additional detail of the change 1 mark for why that came from the strategic decision (1 + 1 + 1) x 2 (6 marks)	<ul style="list-style-type: none"> • Advertisements now show healthy eating options - show salads, bagels, healthy fruit drinks - designed to show <i>McDonalds</i> as proving a range of healthier food products for customers who prefer this. • Introduction for a trial period of <i>Innocent's</i> fruit smoothies - offered with the kid's happy meal - provides parents with the opportunity for their kids to have a healthy drinks option compared to sweet pop drinks.

Q7 (c)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB3 = 1 <u>AO4</u> MB1 = 2	1 mark for measure of success 1 mark for how the success has come from the strategy (maximum 2 marks) (3 marks)	<ul style="list-style-type: none"> • Sales have continue to rise in the UK - the unhealthier options had received a great deal of negative press - the provision of healthier options has reduced the negative criticism and allowed <i>McDonalds</i> promotions to be more effective.

Q8(a)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB1 = 1	1 mark for business and details of product in decline (1 mark)	(<i>Northern Rock</i> has been taken as an example for Q8) <u>Business</u> - <i>Northern Rock</i> . <u>Details</u> - Loans, especially mortgages, and savings.

Q8(b)		
AO	Mark allocation	Exemplar answers
<u>AO2</u> MB1 = 1	1 mark for basic reason (maximum 2 marks)	<ul style="list-style-type: none"> Loss of customer confidence in the bank - customer worried they would lose savings - withdrew over £2 billion - reduced ability to lend on the mortgage front. Unable to borrow short term funds - commercial lenders concerned about ability of <i>Northern Rock</i> to repay loans - needed to go to <i>Bank of England</i> to borrow funds - publicity caused lack of confidence in private savers who withdrew their savings.
<u>AO3</u> MB1 = 1	1 mark for why that lead to a decline (maximum 3 marks)	
<u>AO4</u> MB1 = 1 MB2 = 1	(4 marks)	

Q8(c)		
AO	Mark allocation	Exemplar answers
<u>AO1</u> MB3 = 1	1 mark for marketing strategy (maximum 2 marks)	<ul style="list-style-type: none"> Press releases to assure customers the business was able to cover all savers funds - designed to stop more people taking their savings out - also designed to counter the very negative media reporting - unsuccessful in the first few days - over £2 billion withdrawn. Reduce loans to less credit worthy borrowers - designed to help ensure that all loans could be repaid - these would then be available for meeting the needs of savers - this is a long term strategy - not able to introduce it fast enough to stop the withdrawals.
<u>AO3</u> MB1 = 2 MB2 = 1	1 mark for how this was designed to prevent further/reverse decline (maximum 2 marks)	
<u>AO4</u> MB3 = 1	1 mark for analysis of effect of the strategy (maximum 2 marks) (5 marks)	

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Order Code UA021088 Summer 2009

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