

Mark Scheme (Results)

January 2010

GCE

GCE Applied Business (6916/01)

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Mark scheme 6916/01

Question Number	Exemplar Responses	Mark
<p>1 (a)</p> <p>AO1</p> <p>MB1 = 2</p>	<ul style="list-style-type: none"> • Production • Making the goods • Checking the quality of the good • Managing/purchasing materials • Managing waste • Making stock to sell • Meeting demand • Risk assessment/health & safety checks 	<p>1 mark for each activity</p> <p>(2 marks)</p>

Question Number	Exemplar Responses	Mark
<p>1 (b)</p> <p>AO1</p> <p>MB1 =2</p>	<ul style="list-style-type: none"> • So production know how much to make - because if they make too much it may not sell • So production can keep up with orders so that customers will not be let down by non-delivery • So sales know how much they have to sell/what they have available to sell - so that they can maximise their efforts • So that the sales team is aware of product details - which should help reduce complaints from customers • So that sales team are aware of any production problems that could affect customers - so that they can communicate with customers and keep them informed of developments 	<p>1 mark for each reason communication is important (maximum 2 marks)</p> <p>or</p> <p>1 mark for each reason communication is important + 1 mark for developing reason</p> <p>(2 marks)</p>

Question Number	Exemplar Responses	Mark
<p>1 (c)</p> <p>AO2</p> <p>MB1 = 2</p> <p>MB2 = 2</p>	<p><u>Understanding of term</u></p> <ul style="list-style-type: none"> • Requirements of job against which employees are measured/assessed <p><u>General reasons</u></p> <ul style="list-style-type: none"> • Both like a target to go for/something to achieve • So that they know what is expected of them • So that business can plan cash flow • So that business can plan resource requirements • So that business can meet its commitments/obligations to customers <p><u>Reason applied to sales functional area</u></p> <ul style="list-style-type: none"> • Helps plan resource requirements • Helps finance plan future expenditure as income forecasts will be based on the achievement of sales targets/objectives • Helps create a competitive spirit in the sales team <p><u>Reason applied to production functional area</u></p> <ul style="list-style-type: none"> • To maintain quality standards • To make sure that production output meets sales forecasts • Because the pay of some production operatives may be based on achieving a certain output 	<p>1 mark for understanding term (may be implied) (maximum 1 mark)</p> <p>1 mark for general reason (maximum 1 mark)</p> <p>1 mark for reason applied to sales functional area</p> <p>1 mark for reason applied to production functional area</p> <p style="text-align: right;">(4 marks)</p>

Question Number	Indicative content
1(d)	<p>Valid points could include:</p> <p><u>Matrix structure</u></p> <ul style="list-style-type: none"> • Allows a business to operate across different levels of authority and across different functions <p><u>Application of a matrix structure</u></p> <ul style="list-style-type: none"> • Typically used for multi-function teams or task groups • Used to generate new ideas/solutions/processes/systems • Used to solve problems with processes or systems • Authority remains with management but decisions are expected to be made lower down the structure <p><u>Advantages for business</u></p> <ul style="list-style-type: none"> • Improves communication between levels of authority • Improves communication between functions • Can generate new ideas etc. which save the business money <p><u>Advantages for employees</u></p> <ul style="list-style-type: none"> • They are given some responsibility • Can see a job through from beginning to end • Feel that they are making a contribution to the business rather than just working for it • Feel appreciated <p><u>Disadvantages for business</u></p> <ul style="list-style-type: none"> • Some initial confusion when matrix structure is implemented • Employee dissatisfaction • Could be costly to implement <p><u>Disadvantages for employees</u></p> <ul style="list-style-type: none"> • Senior management fear they will lose control of their underlings • Employees may not want or be prepared to make their own decisions • Employees may be content to be told what to do • Employees may feel that they are being expected to help the business save money but without any direct reward for themselves <p>A level 3 response will show understanding and include some specific advantages and disadvantages.</p> <p>A level 4 response would follow an outline and discussion such as: <i>A matrix structure is where employees work as a team, they aim to work together to get things done rather than being told what to do - it is used when a business want to solve a problem that affects the business overall or affects a number of different functional areas - for example, Poly Ltd has a tall hierarchical structure - this could affect communication between different functional areas causing misunderstandings and customer service problems - in this situation advantages of introducing a matrix structure for Poly Ltd would be improved communications - multi-functional teams working together to generate ideas to improve customer services - the workforce would feel valued as their opinion is being asked - as a result they work harder - however, some senior mangers may feel that their authority will be undermined/ that they are losing power - so they could rebel, causing problems in production - equally, some employees may not like it as they feel that they are only being paid to do a job/not paid to think - so do not support matrix structure and cause problems for the business</i></p> <p style="text-align: right;">(12 marks)</p>

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 - 2 marks	Candidate shows some knowledge and understanding of a matrix structure.
Level 2	3 - 4 marks	Candidate applies their knowledge and understanding of a matrix structure to a business like Poly Ltd, from information provided in the scenario.
Level 3	5 - 8 marks	Candidate analyses basic advantages and disadvantages of the use of a matrix structure with general references to how it affects Poly Ltd and its employees, selecting information from the scenario to use to support their answer. Understanding of matrix structure may be implied in answer.
Level 4	9 - 12 marks	Candidate evaluates the information provided in the scenario to give a range of clear advantages and disadvantages for both Poly Ltd and its employees. Thorough understanding of matrix structure is implied through standard of answer.

Question Number	Exemplar Responses	Mark
<p>1 (e)</p> <p>AO1</p> <p>MB1 = 4</p>	<p><u>Alfie's Sandwiches</u></p> <p>This business is owned by Sam who runs it as a sole trader - this means that she has to be careful not to over extend because she will be personally liable for all debts - she has to make all of her own decisions - but this means that she can keep all the profit for herself</p> <p><u>Tesco plc</u></p> <p>As a plc Tesco shares are sold on the stock market - this form of ownership means that it has to have a structured board of directors - it will have to publish an annual report - and make sure that its books are audited every year</p>	<p>1 mark for naming type of ownership</p> <p>1 mark for how operation is influenced by ownership (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark
<p>1 (f)</p> <p>AO1</p> <p>MB1 =2</p> <p>AO2</p> <p>MB1 = 4</p>	<p><u>Histon Engineering Ltd</u></p> <p>HR is responsible for recruitment - and for looking after employees - in Histon Engineering they also organise the training of staff - they carry out appraisal interviews - identify skill shortages - and recommend the training needed for each employee</p> <p><u>M&S</u></p> <p>HR has a very important role in M&S looking after its many employees - hiring and firing - it writes the job descriptions - and arranges contracts of employment - if an employee has a dispute with their manager they go to HR - HR then tries to sort out the problem so that the employee does not take the firm to an industrial tribunal</p>	<p>1 mark for general description of HR function (maximum 2 marks)</p> <p>1 mark for role of HR in chosen business (maximum 4 marks)</p> <p>(6 marks)</p>

Question Number	Indicative content
2(a)	<p><u>Valid points relating to recruiting from outside/bringing a new leader to an established team, could include:</u></p> <p><u>Advantages to Poly Ltd</u></p> <ul style="list-style-type: none"> • New blood • Fresh ideas • Enthusiastic • Will want to make their mark • No history with business/to overcome • Can be used to make other changes/firings <p><u>Disadvantages to Poly Ltd</u></p> <ul style="list-style-type: none"> • It's a risk • May not be up to the job • Person may not be familiar with business: its history/products/ethics • Unknown quantity • Cost of recruiting • May not be able to handle team • Will need to establish leadership of team • Could cause problems • May need to work notice at existing firm/not able to start immediately <p><u>Advantages to members of sales team</u></p> <ul style="list-style-type: none"> • They will start with a 'clean slate' • No negative history with new Regional Manager • Opportunity to impress new Regional Manager • Enthusiastic new Manager could make the whole team look good/better than in past • Could use experience to support new Regional Manager, which could lead to rewards <p><u>Disadvantages to members of sales team</u></p> <ul style="list-style-type: none"> • New Regional Manager may not be impressed by existing sales team • New Regional manager may get rid of old team and bring in own people • Will need to be on best behaviour/performance as the new manager is an unknown quantity <p>A level 3 response will show understanding of situation and include some general advantages and disadvantages.</p> <p>A level 4 response would assess the situation, weigh up issues, advantages and disadvantages in a coherent argument such as:</p> <p><i>This scenario presents Poly Ltd with the challenge of introducing a new Regional manager, recruited from outside the business, there will be a range of advantages and disadvantages for Poly Ltd - risk will be a big factor - the new Manager may not know the products and customers - customer service levels may drop and affect the business - but the advantages for Poly Ltd will be that a new manager will bring new ideas - and enthusiasm as they will want to impress - they will be full of fresh ideas/will want to make their mark and work really hard - however, bringing someone new into the sales team may cause problems - as far as the Midland Region sales team is concerned, the new Regional Manager may not be liked by the other members of the team - as their weaknesses could be exposed - and there could be some resentment as they were not chosen for the job - but advantages for members of the Midlands Region sales team will be that if the new Manager is good/performs well, then the team will also look good, and this could result in rewards such as bonuses or increased pay (12 marks)</i></p>

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 - 2 marks	Candidate shows some knowledge of the issues surrounding recruiting from outside/bringing a new leader to an established team, may list some general advantages and disadvantages
Level 2	3 - 4 marks	Candidate applies their knowledge and understanding of the issues surrounding internal promotion/bringing a new leader to an established team, presenting a balanced view of some advantages and disadvantages to Poly Ltd and/or a member of the Midlands Region sales team. Understanding may be implied in answer.
Level 3	5 - 8 marks	Candidate shows some analysis of the problems and issues surrounding recruiting from outside/bringing a new leader to an established team, and presents a balanced view of some advantages and disadvantages to Poly Ltd and/or a member of the Midlands Region sales team, selecting information from the scenario to use to support their answer. Assessment may be one-sided; understanding may be implied in answer.
Level 4	9 - 12 marks	Candidate evaluates the information provided in the scenario to show a clear awareness of the issues surrounding recruiting from outside/bringing a new leader to an established team, and presents a balanced view of a range of advantages and disadvantages for each approach to Poly Ltd and to a member of the Midlands Region sales team. Candidate's assessment will not be one sided. Thorough understanding may be implied in answer.

Question Number	Exemplar Responses	Mark
2 (b) AO1 MB1 = 2 MB2 = 2	<ul style="list-style-type: none"> • Test to reveal the personality of the employee for recruitment or promotion • Some use multiple-choice questions • Some use word association <p><u>Can tell the business</u></p> <ul style="list-style-type: none"> • The way people think • Whether employee has a sense or teamwork • If they are honest • How motivated • Commitment • Intelligence • Likely to fit in with other members of the team • How they approach problems • How open to new ways of doing things <ul style="list-style-type: none"> • Psychometric testing is a tool used during the recruitment process to try to gain a deeper understanding of the personality and underlying motivation of a candidate - it can be used to give the business some idea of how the candidate will perform under stress - how well they are likely to fit in as a team member - and help them judge their level of commitment to the business 	<p>1 mark for understanding of term 'psychometric testing' (may be implied)</p> <p>1 mark for what psychometric testing can tell the business about employee (maximum 3 marks)</p> <p style="text-align: right;">(4 marks)</p>

Question Number	Exemplar Responses	Mark
<p>2 (e)</p> <p>AO1 MB3 = 2</p> <p>AO2 MB3 = 2</p>	<p><u>Design House</u> Send new employees on day-release to do GCE Applied Business - so that they know a bit about business as well as being good at graphic art - this means that they understand about the need to make a profit - and the kind of customer services that customers expect</p> <p><u>St Andrews School</u> Encourage canteen staff to take NVQs - this means that their competence in the workplace is checked and confirmed - this means that canteen employees are all working to a good standard - this reduces complaints</p>	<p>1 mark for naming an example of a nationally recognised training scheme</p> <p>1 mark for description of training scheme</p> <p>1 mark for use made by named business (maximum 2 marks)</p> <p style="text-align: right;">(4 marks)</p>

Question Number	Exemplar Responses	Mark
<p>3 (a)</p> <p>AO3</p> <p>MB1 = 2</p> <p>MB2 = 2</p> <p>MB3 = 2</p>	<p><u>Advantages of motivating a team compared to motivating individual employees</u></p> <ul style="list-style-type: none"> • Team members work together to meet targets • Stronger team members will encourage/support weaker members so that team succeeds • Less likely cause friction/resentment than if some individuals are rewarded and others are not • Team reward can act as a team bonding event and thus strengthen team for the future <p><u>Disadvantages of motivating a team compared to motivating individual employees</u></p> <ul style="list-style-type: none"> • Can encourage bullying if one member is seen to be dragging down overall team performance • Weaker members are less obvious as they are camouflaged by overall team activity/performance • Will not be as easy to identify good individual performers/future managers as they are being measured on team performance • Likely to be more expensive as team incentives will cost more, compared with relatively lower cost of incentives for individuals <p>(Only 1 mark for 'mirror' answers eg 'Team members work together to meet targets but individual members do not work as a team')</p>	<p>1 mark for advantages included in comparison (maximum 3 marks)</p> <p>1 mark for disadvantages included in comparison (maximum 3 marks)</p> <p style="text-align: right;">(6 marks)</p>

Question Number	Exemplar Responses	Mark
<p>3 (b)</p> <p>AO1 MB1 = 2 MB2 = 2</p>	<p><u>Theory based on:</u></p> <ul style="list-style-type: none"> • Money is the main motivator • Efficient maximisation of labour • Using financial incentives to reward hard work • Use of work study/time and motion • Division of labour • Tight management control • Scientific management • De-skilling <p><u>Links with piecework</u></p> <ul style="list-style-type: none"> • The more you make the more you get paid • Makes a direct/explicit connection between output and payment • Employees know that the harder they work the more they will get paid 	<p>1 mark for knowledge of theory (maximum 2 marks)</p> <p>1 mark for linking theory with piece-work (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark
<p>3 (c)</p> <p>AO2 MB1 = 1 MB2 = 2</p> <p>AO3 MB1 = 1</p>	<ul style="list-style-type: none"> • Will need to increase pay of those workers already on National Minimum Wage accordingly - this will put up total wage bill for the business - this will mean an increase in the works cost of goods - which may necessitate an increase in selling price to maintain profit margin • Total wage bill will increase - this is because most of workforce is in production department - workers in production are often unskilled and likely to be paid at minimum rate - so an increase in National Minimum Wage will give a great effect on the overall wage bill • May have no effect - as workforce could already be paid above National Minimum Wage - however, to stay ahead of national Minimum Wage the business may increase wages - so that they remain an attractive place to work 	<p>1 mark for each effect of an increase in the National Minimum Wage on Poly Ltd. (maximum 2 marks)</p> <p>1 mark for developments of effects of (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark
<p>3 (d)</p> <p>AO3</p> <p>MB1 = 2</p> <p>MB2 = 2</p> <p>MB3 = 2</p>	<ul style="list-style-type: none"> • Bad publicity -which leads to loss of sales - as customers prefer to buy natural products/products that can be recycled - business has to take steps to counter bad publicity and try to protect business • Stakeholders stop buying Poly products - business is forced to make changes to product range - could change materials - or introduce ranges that are not made from plastic • Poly Ltd has to set up a special plant for recycling - so that they can meet government/local authority targets for recycling - this costs money - which could impact on profit margins/viability of business 	<p>1 mark for likely impact on business (maximum 2 marks)</p> <p>+</p> <p>1 mark for analysing impact on business (maximum 4 marks)</p> <p style="text-align: right;">(6 marks)</p>

Question Number	Exemplar Responses	Mark
<p>3 (e)</p> <p>AO2</p> <p>MB1 = 2</p> <p>MB2 = 2</p>	<p><u>Delos Burgers</u> They have an employee of the month scheme - employees who hit all targets get a star - the person with the most stars each month gets a bonus or a day off - this makes everyone work harder/better</p> <p><u>Thomas Telesales</u> Employees are motivated by fear - if they don't perform they get a warning from management - if they get three warnings they are laid-off - this makes everyone work really hard so they don't lose their job</p>	<p>1 mark for how business motivates its employees (maximum 2 marks)</p> <p>1 mark for developing application (maximum 3 marks)</p> <p style="text-align: right;">(4 marks)</p>

Question Number	Exemplar Responses	Mark
<p>3 (f)</p> <p>AO1</p> <p>MB1 = 2</p> <p>MB2 = 2</p> <p>MB3 = 2</p>	<p><u>Comet</u></p> <p>They only stock products that manufacturers guarantee are safe - this means they should not be selling any products with defects - this is to meet Unfair Trading Regulations which says all products must be safe to use - they also protect consumers' rights by replacing anything that does not work the way the customer expects - alternatively customers can also get a refund if they want - this meets Sale of Goods Act</p> <p><u>Holiday Homes</u></p> <p>This business rents out cottages in Cornwall for holidays, the consumer protection legislation that has the greatest effect on this business in the Unfair Trading regulations - this means that they must describe their cottages really accurately - they must not seek to mislead customers - for example saying the cottages are near the beach, when they are 2 miles away - they also have to make sure that the heating and plumbing works - or else customers could complain under Sale of Goods and Services legislation</p> <p>(Consumer protection could also include the physical protection of consumers/customers ie health & Safety)</p> <p>(No need to name legislation - it may be implicit in the answer)</p>	<p>1 mark for knowledge of consumer protection legislation (maximum 2 marks)</p> <p>1 mark for describing what business does to protect consumers (maximum 4 marks)</p> <p style="text-align: right;">(6 marks)</p>

Question	Content Area			
	1.1	1.2	1.3	1.4
1a)	2			
1b)	2			
1c)	4			
1d)	12			
1e)	4			
1f)	6			
2a)		12		
2b)		4		
2c)		4		
2d)		6		
2e)		4		
3a)			6	
3b)			4	
3c)			4	
3d)				6
3e)			4	
3f)				6
Marks	30	30	18	12
Target Marks	30	30	18	12

	AO1 Band equivalent			AO2Band equivalent			AO3 Band equivalent			AO4 Band equivalent			Total Mark
	1	2	3	1	2	3	1	2	3	1	2	3	
1a)	2												2
1b)	2												2
1c)				2	2								4
1d)	2			2			2	1	1	2	1	1	12
1e)	4												4
1f)	2			4									6
2a)	2			2			2	1	1	2	1	1	12
2b)	2	2											4
2c)		2	2										4
2d)	2	2	2										6
2e)		2	2										4
3a)				2	2	2							6
3b)		4											4
3c)					1	2				1			4
3d)							2	2	2				6
3e)				2	2								4
3f)				2	2	2							6
Target Totals	18	12	6	16	9	6	6	4	4	5	2	2	90
	36			31			14			9			

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