

Applied Business

Advanced GCE A2 H426/H626

Advanced Subsidiary GCE AS H026/H226

Mark Schemes for the Units

June 2009

H026/H226/MS/R/09

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F242 Understanding the business environment

Question Number	Expected Answer
<p>1 (a)</p> <p>State TWO ways in which a limited company differs from a partnership.</p> <p>AO1 [2 marks]</p>	<p><i>One mark for each point made up to a maximum of 2 marks.</i></p> <ul style="list-style-type: none"> - Limited liability - Companies likely to have more internal stakeholders - Corporate or legal status - Continuity of existence - Companies more expensive to set up/more red tape - Has to publish accounts - Can sell shares on the Stock Exchange - Partnerships likely to be smaller - Limited companies have shareholders - Limited minimum of 1 shareholder - Partnerships consist of 2-20 owners - Limited register with companies house
<p>1 (b)</p> <p>Identify and explain TWO differences between a public limited company and a private limited company.</p> <p>AO1 [2 marks]</p> <p>AO2 [2 marks]</p>	<p><i>One mark for identifying each difference and one mark for explanation x 2.</i></p> <p>Public limited companies, unlike private limited companies, can make an appeal to the public to subscribe to a share issue (1). As a result they can raise large sums of money (1) and are, therefore, likely to be much larger organisations.</p> <p>Other responses include:</p> <p>Minimum of 2 shareholders in a public company, whereas private companies can be single member (1)</p> <p>Public issue of shares in the case of plc (1)</p> <p>Shares in plc sold on Stock Exchange or AIM (1)</p> <p>Unrestricted transfer of shares in the case of plcs (1)</p> <p>Increased disclosure requirements for a plc (1)</p> <p>Plcs much bigger / greater economies of scale(1)</p> <p>Forming a plc requires at least £50,000 worth of share capital (1) of which at least 25% must have been paid for (1).</p>

Question Number	Expected Answer
<p>1 (c)*</p> <p>Evaluate the likely benefits and drawbacks to Layton Construction plc of being a public limited company.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [3 marks]</p> <p>AO4 [3 marks]</p> <p>Levels [12]</p>	<p>Level 1 Candidate states benefits and/or drawbacks of being a public limited company out of context (1-3 marks).</p> <p>Level 2 Candidates explains benefits and/or drawbacks of being a public limited company in context (4-6 marks).</p> <p>Level 3 Candidate analyses benefits and/or drawbacks of being a public limited company in context (6-9 marks).</p> <p>Level 4 Candidate evaluates the case for/against public company status in context (9-12 marks).</p> <p>Public companies can raise finance by a public appeal to buy shares (L1). As a result Layton Construction would have found it easier to raise the large sums of money needed to undertake large construction projects, such as building a shopping mall (L2). This will enable it to expand (L3). But there are problems associated with going public. As shares are freely transferable it is possible for outsiders to buy a controlling interest in Layton Construction (L2). This means that the founders will not be able to run the business in their own way (L3). But as the Layton family wanted to expand the business, rather than merely controlling it, it was sensible to go public (L4).</p>

Question Number	Expected Answer	
2	Complete the table below to:	
<p data-bbox="136 311 645 443">(a) identify TWO internal stakeholders and two external stakeholders in Layton Construction plc;</p> <p data-bbox="136 512 645 611">(b) explain how each is able to influence the company.</p> <p data-bbox="136 647 282 715">AO1 [4 marks]</p> <p data-bbox="136 751 282 818">AO2 [8 marks]</p>	<p data-bbox="654 311 1070 344">Identify the stakeholder</p> <p data-bbox="654 347 1070 381">Internal – Shareholders (1)</p> <p data-bbox="654 448 1070 481">Internal – Employees (1)</p> <p data-bbox="654 549 1070 582">External – Customers (1)</p> <p data-bbox="654 649 1070 683">External – Creditors (1)</p>	<p data-bbox="1079 311 2056 344">Explanation of influence</p> <p data-bbox="1079 347 2056 413">Shareholders are part owners (1) and, as such, have voting rights at the AGM (1).</p> <p data-bbox="1079 448 2056 513">Employees are a key asset (1) and can withhold their labour (1).</p> <p data-bbox="1079 549 2056 614">Customers by their buying behaviour (1). Layton has to respond to their needs (1).</p> <p data-bbox="1079 649 2056 715">Creditors require repayment with interest (1). Influence by withholding credit. (1)</p>

Question Number	Expected Answer
<p>3 (a)</p> <p>What is meant by the ‘external environment of a business’?</p> <p>AO1 AO2 [2 marks]</p>	<p><i>Up to a maximum of 2 marks.</i></p> <p>Factors outside the firm (1). Factors external (1) to the firm that impact upon it (1). Not within businesses control (1).</p>
<p>3 (b)</p> <p>Evaluate the likely impact of changes in interest rates on Layton Construction plc.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [3 marks]</p> <p>AO4 [3 marks]</p> <p>Levels [12 marks]</p>	<p>Level 1 Candidate identifies possible consequences of a change in interest rates (1-3 marks).</p> <p>Level 2 Candidate explains possible consequences of a change in interest rates in context (4-6 marks).</p> <p>Level 3 Candidate analyses possible consequences of a change in interest rates in context (7-9 marks).</p> <p>Level 4 Candidate evaluates possible consequences of a change in interest rates in context (10-12 marks).</p> <p>A rise in interest rates raises the cost of borrowing money (L1). This is likely to reduce the demand for new houses (L2) thus producing a downturn in Layton’s sales and profits. (L3). As well as reducing demand it will increase the charges on Layton’s overdraft (L2). This might lead to cash-flow problems and a decrease in profitability (L3). But the extent of the impact depends on factors such as the extent of Layton’s borrowing, the extent to which customers are sensitive to interest rate changes and the extent to which a rise is seen as long term or merely short term (L4).</p>

Question Number	Expected Answer
<p>3 (c)</p> <p>Layton Construction plc uses PEST analysis when reviewing its activities.</p> <p>AO2 [8 marks]</p>	<p>For each of the following activities, identify ONE different factor, (other than a change in interest rates) for each element of the PEST analysis.</p> <p><i>Up to a maximum of 8 marks.</i></p> <p>P Change in income tax rate, VAT Change in government planning policy/planning permission Policy on foreign workers/minimum wage New legislation on HASAW Green Belt</p> <p>E Economic downturn, credit crunch, recession Change in exchange rates, inflation, GDP</p> <p>S Demographic change, e.g. divorce rate, increase mobility, people living longer, shopping habits, pressure groups</p> <p>T Development of new house building materials Development of building techniques. e-commerce</p>

Question Number	Expected Answer
<p>3 (d)</p> <p>Identify and explain TWO benefits of the use of SWOT analysis to a business such as Layton Construction plc.</p> <p>AO1 [2 marks]</p> <p>AO2 [2 marks]</p>	<p><i>One mark for identification up to a maximum of two marks plus two further marks for explanation.</i></p> <ul style="list-style-type: none"> • Helps to set objectives • Improve decision making • Identify strengths • Identify weaknesses • Identify opportunities • Identify threats • Part of business plan to gain financial resources <p>Exemplar responses:</p> <p>SWOT analysis provides managers with information in order to improve decision making (1). By identifying the strengths/weaknesses, they will be able to improve the running of Layton (1). For instance, it should improve its financial record keeping. (1)</p> <p>SWOT analysis allows opportunities to be identified (1). Knowing the opportunities can make a more informed decision about the future of their business (1). For example, by examining the demographic trends, might start building smaller houses for the long-term survival of the business (1).</p>
<p>4 (a)</p> <p>Explain the difference between laws and ethics</p> <p>AO1 [1 mark]</p> <p>AO2 [1 mark]</p>	<p><i>Up to two marks</i></p> <p>Laws, which are laid down by Parliament (1), impose legal (1) obligations on people and businesses (1). Breaking the law might mean fines or imprisonment (1). Ethics are based on beliefs, values, religion and culture (1). It concerns what is considered right and wrong in our society and by the individual (1). Alternatively, ethical dilemmas often relate to a choice of doing what is profitable or doing what is considered right (1).</p>

Question Number	Expected Answer
<p>4 (b)</p> <p>Analyse why James Floud might have considered Gary's proposed tactic "questionable in terms of ethics".</p> <p>AO2 [3 marks]</p> <p>AO3 [3 marks]</p> <p>Levels [6 marks]</p>	<p>Level 2 Candidate describes unethical practices outlined in case study (1-3 marks).</p> <p>Level 3 Candidate considers why the practices outlined in the case study are unethical (4-6 marks).</p> <p>The garden grab proposal exerts pressure on householders (L2). Although Gary's proposal is within the law it might be resented high pressure tactics and an invasion of householder's privacy (L3).</p>
<p>4 (c)</p> <p>AO1 [2 marks]</p>	<p>Identify TWO other ethical issues that could relate to the operations of a company such as Layton Construction plc.</p> <p><i>One mark per identification up to a maximum of 2 marks.</i></p> <p>Purchase of cheap imported materials produced with low wage labour Black economy activities Noise pollution Employment of illegal immigrants Green belt Discrimination Ignore pressure groups Use of non-renewable resources Bribing official Extent of disclosure of information Discrimination in employment and selling. Environmental damage Paying below the Minimum Wage Misleading customers / ripping people off</p> <p>Note: Some of these activities are both illegal and unethical</p>

Question Number	Expected Answer
<p>5 (a)</p> <p>Sarah produced the following costings for the garden grab plot development.</p>	<p>Cost of acquiring the land £2.5 million Other fixed costs involved in the development £0.5 million Variable cost per house £65,000 Selling price for each house £310,000.</p>
<p>5 (a) (i)</p> <p>Calculate the number of houses that Layton Construction plc would have to sell to break even on this proposal.</p> <p>AO1 AO2 [4 marks]</p>	<p><i>Up to two marks</i></p> <p>Break even = fixed costs/ unit contribution (1) or FC/SP-VC (1) Unit contribution = £310k-£65k= £245k (1) Break even = (£2.5m + £0.5m)/£245k = 12.2 houses which must be rounded up to 13 houses for the full mark of 4. £3m/£310k-£65k (1) = 12.2 (1) or £3m/£245k (1)</p>
<p>5 (a) (ii)</p> <p>Calculate the margin of safety on this development if Layton Construction built 15 houses on the plot.</p> <p>AO1 AO2 [2 marks]</p>	<p><i>Up to two marks</i></p> <p>Margin of safety = Planned output minus break even output (1) Margin of safety = 15-13 = 2 house (2).</p>

Question Number	Expected Answer
<p>5 (a) (iii)</p> <p>Calculate the profit from the development of 15 houses.</p> <p>AO2 [3 marks]</p>	<p><i>Up to three marks</i></p> <p>Costs = £2.5m + £0.5m + (£65k x 15) = £3975k (1) Revenue = £310k x 15 = £4650k (1) Profit = £675k (1)</p> <p>If candidate uses the margin of safety x unit contribution: 2 x £245(2) = £490k (1)</p> <p>OFR applies if candidates uses the margin of safety (from 5a) x unit contribution to calculate profit. 2.8 x £245 (2) = £686k (1) or 3 x £245 (2) = £735 (1) Award one mark for formula. Either: Margin of safety x contribution OR Revenue - Costs</p>
<p>5 (b)</p> <p>Using break-even analysis, evaluate these TWO strategies.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [3 marks]</p> <p>AO4 [3 marks]</p> <p>Levels [12 marks]</p>	<p>Level 1 Candidate describes break-even analysis out of context</p> <p>Level 2 Candidate explains possible impact choosing the two strategies in context with/without reference to break-even</p> <p>Level 3 Candidate analyses impact of choosing the two strategies in context with/without reference to break-even</p> <p>Level 4 Candidate evaluates the strategies in context, with/without reference to break-even</p> <p>An extra house built on the plot would increase the margin of safety (L2). With a higher margin of safety, profits will be higher (L2). In fact, profits will rise by the same amount as the contribution per unit (L2). But this assumes that the selling price and the cost per unit remain unchanged. However, this might reduce demand as the houses might be smaller and more cramped together (L3). The other strategy of raising the price will only succeed if Layton is able to sell the houses at a higher price (L3). The cost of building two more houses might lower the variable cost per house due to economies of scale and Layton would be better off with this option as it will have more houses to sell (L4). Raising the house price might put customers off and Layton loses sales. (L4).</p>

Question Number	Expected Answer																								
<p>5 (c) (i)</p> <p>The variance statement below relates to the variable costs of constructing one house.</p> <p>[9 marks]</p>	<p><i>One mark for each correct response up to a maximum of 9 marks.</i></p> <p>Complete the variance statement below.</p>																								
<table border="1"> <thead> <tr> <th>Item</th> <th>Budget figure</th> <th>Actual figure</th> <th>Variance</th> <th>Favourable or Unfavourable</th> <th>Variance as % of budget figure</th> </tr> </thead> <tbody> <tr> <td>Materials</td> <td>35 000</td> <td>36 800</td> <td>1 800 (1)</td> <td>Unfavourable (1)</td> <td>5.14 (1)</td> </tr> <tr> <td>Labour</td> <td>30 000</td> <td>31 600</td> <td>1 600 (1)</td> <td>Unfavourable (1)</td> <td>5.3 (1)</td> </tr> <tr> <td>Total</td> <td>65 000</td> <td>68 400</td> <td>3 400 (1)</td> <td>Unfavourable (1)</td> <td>5.2 (1)</td> </tr> </tbody> </table>		Item	Budget figure	Actual figure	Variance	Favourable or Unfavourable	Variance as % of budget figure	Materials	35 000	36 800	1 800 (1)	Unfavourable (1)	5.14 (1)	Labour	30 000	31 600	1 600 (1)	Unfavourable (1)	5.3 (1)	Total	65 000	68 400	3 400 (1)	Unfavourable (1)	5.2 (1)
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<p>5 (c) (ii)</p> <p>Identify and explain TWO benefits of variance analysis to a business such as Layton Construction plc.</p> <p>AO1 [2 marks]</p> <p>AO2 [2 marks]</p>	<p><i>One mark per identification up to a maximum of 2 marks plus a further one mark for each explanation up to a maximum of 2 marks.</i></p> <p>Variance analysis is used to monitor progress (L1)</p> <p>By identifying variance managers can:</p> <ul style="list-style-type: none"> • take corrective action (1) so that adverse variance can be avoided in the future (1) • identify responsibility (1) so that staff will be more careful with money (1) • improve future budgeting (1) by analysing causes of variance (1) • understand changes in the external environment (1) and revise budget figures accordingly (1) • analyse causes of problems (1) in order to avoid making the same mistakes in future (1) 																								

F243 The impact of customer service

Question Number	Expected Answer
<p>1 (a)</p> <p>Identify and describe THREE reasons why effective customer service is important to a business such as Belinda's Bikes.</p> <p>AO1 [6 marks]</p>	<p><i>1 mark for a correct identification up to a maximum of three identifications, plus up to one further mark for each of three descriptions.</i></p> <ul style="list-style-type: none"> • Good customer service is important to any organisation to encourage repeat business (1) which enables it to grow and gain in market share (1); • Improve customer loyalty (1) leading to advocacy of the business (1); • It will enhance an organisation's reputation (1) which could make people want to visit for the first time (1); • It can give an organisation an edge over its competitors (1) so that customers will use that firm over another (1); • Attracts more customers (1) leading to an increase in sales and profit (1).
<p>(b)</p> <p>Identify THREE different types of customer who use Belinda's Bikes.</p> <p>AO2 [3 marks]</p>	<p><i>1 mark for identification up to a maximum of 3</i></p> <ul style="list-style-type: none"> • UK visitors/tourists/holidaymakers (1); • European visitors (1); • International visitors/further afield (1); • Families (1); • Couples (1); • Local cycling groups (1); • People staying at the Royal Hotel (1); • People who want to hire bikes (1); • Local residents/locals (1); • Snack bar customers (1).

Question Number	Expected Answer
<p>(c)</p> <p>Discuss possible reasons for Belinda's Bikes becoming more focused on customer service.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [3 marks]</p> <p>AO4 [3 marks]</p> <p>Levels [12 marks]</p>	<p><i>Use level of response criteria</i></p> <p>Level 1 Candidate identifies the possible reasons for any business focusing on customer service [1-3 marks]</p> <p>Level 2 Candidate describes the possible reasons Belinda's Bike becoming more focused on customer service. [4-6 marks]</p> <p>Level 3 Candidate analyses the possible reasons for Belinda's Bikes becoming more focused on customer service. [7-9 marks]</p> <p>Level 4 Candidate evaluates the possible reasons for Belinda's Bikes becoming more focused on customer service. [10-12 marks]</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Meeting customers' needs • Customer retention • Repeat business • Customer loyalty • Improve performance • Improved reputation • Increased market share • Edge over competition • Improved PR • Increased sales and profit • Stability, growth and long term survival. <p>• It is important for firms to focus on customer service if it is to stay in business (L1). Belinda's Bikes has not had enough customers this season (L2) and it is about to get some competition from the Royal Hotel (L2) so it must offer its customers an exemplary service otherwise customers will leave Belinda's Bikes and use the competition (L3). Belinda's Bikes is currently giving substandard and inconsistent customer service (L2) which means that any customers it gets are likely not to return (L3) and it may also get a bad reputation, putting potential customers off using the business (L3). If Belinda's Bikes focuses on improving customer service, it is likely to increase customer numbers and gain repeat business (L3) which will ultimately generate more profit for the organisation in the long</p>

Question Number	Expected Answer
	term (L3) . Overall the most important reason for Belinda's Bikes to become more focused on customer service is the threat presented by the new service planned by The Royal as otherwise customers may go there and not to Belinda's Bikes (L4) and Belinda may lose her business altogether (L4) .

Question Number	Expected Answer
<p>2 (a)</p> <p>Identify and describe FOUR acts or regulations which would protect customers of business such as Belinda's Bikes.</p> <p>AO1 [8 marks]</p>	<p><i>1 mark for a correct identification up to a maximum of four identifications, plus up to one further mark for each of four descriptions.</i></p> <ul style="list-style-type: none"> • Sale of Goods Act/Sale and Supply of Goods Act (1) which states that products must be of satisfactory quality (1); • Supply of Goods and Services Act (1) which relates to reasonable time, skill and care (1); • Trades Description Act (1) relates to false advertising claims (1); • Consumer Credit Act (1) relates to finance and credit agreements (1); • Weights and Measures Act (1) relates to accuracy of quantities (1); • Data Protection Act (1) relates to security and access to personal information (1); • Food Safety Act (1) relates to food handling (1); • Health and Safety at Work Act (1) relates to duty of care (1); • Disability Discrimination Act (1) relates to equal rights to all (1); • Consumer Protection Act (1) which relates to product safety (1).
<p>(b)</p> <p>If Belinda's Bikes were to offer a cycle repairs and maintenance service, outline:</p> <p>(i) two advantages to the business.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>1 mark for a correct advantage up to a maximum of two advantages, plus up to two further marks for each of two developments.</i></p> <ul style="list-style-type: none"> • It would be targeting a different type of customer (1) which means it is appealing to more of the market (1) so it is spreading the risk (1); • The Royal Hotel is opening a similar service to Belinda's Bikes (1) so it may find that the bike hire becomes less popular (1) and it is something that the Royal Hotel won't offer (1); • By appealing to the local people it should be getting year-round, regular business (1) so it is not relying on holidaymakers (1) who may only visit once (1); • Kevin is an expert on cycle maintenance (1) so customers should trust him to do a good job (1) which is excellent publicity for Belinda's Bikes (1); • Kevin is already doing maintenance (1) so no training required (1).

Question Number	Expected Answer
<p>(ii) two disadvantages to the business.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>1 mark for a correct disadvantage up to a maximum of two disadvantages, plus up to two further marks for each of two developments.</i></p> <ul style="list-style-type: none"> • Only one member of staff is currently confident in cycle maintenance (1) so if the others were to do some, they may make a mess of it (1) and annoy the customers (1); • Belinda knows nothing about this area of business and is relying on Kevin (1) who may leave the business (1), leaving Belinda's Bikes offering a system they cannot provide (1); • Belinda's Bikes may be inundated with new business (1) which means that it will not be able to concentrate on the bike hire side (1) and could lose business to the Royal Hotel (1); • Kevin is unenthusiastic about serving customers in general (1) so there is no guarantee he would make an effort when maintaining customers' bikes (1) losing Belinda's Bikes business in the long term (1); • Training would be required (1) which would cost time (1) and money (1); • Insufficient demand (1) leading to loss of investment (1).
<p>(c)</p> <p>Analyse possible effects on Belinda's Bikes if Belinda decides to allow customers to hire bikes for longer periods of time.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [3 marks]</p> <p>Levels [9 marks]</p>	<p>Level 1 Candidate identifies the effects of allowing customers to hire bikes for a longer period in no context [1-3 Marks]</p> <p>Level 2 Candidate describes the effects on Belinda's Bikes of allowing customers to hire bikes for a longer period [4-6 Marks]</p> <p>Level 3 Candidates analyses the effects on Belinda's Bikes of allowing customers to hire bikes for a longer period [7-9 Marks]</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Satisfy customer needs • New market • Edge over competition • Increased sales • Encourage advance booking • Increased cost (set up, running, administrative) • Increased service intervals • Lack of stock to meet increased demand • Loss of focus and resources for existing customers.

Question Number	Expected Answer
	<p>Meeting the needs of customers is an example of good customer service (L1). Tara has said that it annoys people to have to bring their bikes back, so allowing people to hire bikes for a longer period would mean that Belinda's Bikes would be satisfying its customers' needs (L2). Also, it could encourage people to book their bikes in advance from Belinda (L2) which would help her become more prepared and organised (L3). However, without being checked every day the bikes could become dangerous (L2) which could upset the customers and they may cancel their rental, losing the business sales (L3).</p>

Question Number	Expected Answer
<p>3 (a) (i)</p> <p>Belinda is thinking about getting the staff to ask the customers how they feel about Belinda's Bikes (line 109).</p> <p>Explain two advantages to the business of this idea.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>1 mark for a correct advantage up to a maximum of two advantages, plus up to two further marks for each of two developments.</i></p> <ul style="list-style-type: none"> • The staff are speaking directly to the customers themselves (1) so hopefully the information they give should be honest and helpful (1) which should give Belinda something to work on (1); • The customers will have just brought the bike back that second (1) so any opinions or thoughts should be fresh in their mind (1) so are likely to be more valid than if further time had elapsed (1); • The staff can get the customers to elaborate on their answers (1) if they feel strongly about something (1) so more helpful information could be given which has possible not been thought of before (1); • The customers may feel that Belinda's Bikes is genuinely concerned about taking time to speak to customers (1) and is keen to solve problems immediately if there is an issue (1); • Lower cost than most other methods (1) as there are no additional financial costs for Belinda's Bikes (1) because staff at Belinda's Bikes are already being paid (1).
<p>(ii)</p> <p>Explain two disadvantages to the business of this idea.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>1 mark for a correct disadvantage up to a maximum of two disadvantages, plus up to two further marks for each of two developments.</i></p> <ul style="list-style-type: none"> • The staff are unlikely to be trained in interview techniques (1) so may not be good at getting answers out of the customers (1) so the exercise may be a waste of time and effort for Belinda's Bikes (1); • There are no actual structured questions to ask (1) which may make it difficult to collate the data afterwards (1) so Belinda may struggle to work out exactly what the problems are (1); • If customers say that they are unhappy with a particular element of their experience, the staff may not pass that information on anyway (1) so Belinda would still not know there was anything wrong (1); • No written record (1) which means Belinda may not receive all of the comments (1). • Customers may not want to say anything at the particular time (1), they may be busy (1) or need time to think (1). • Customers may not want to offend (1) and decide not to tell the truth (1) making the feedback unreliable (1).

Question Number	Expected Answer
<p>(b)</p> <p>State and explain FOUR other ways in which Belinda could find out how her customers feel about Belinda's Bikes.</p> <p>AO1 [4 marks]</p> <p>AO2 [4 marks]</p>	<p><i>1 mark for a correct way up to a maximum of four ways, plus up to one further mark for each of four developments.</i></p> <ul style="list-style-type: none"> • A telephone survey (1) where Belinda phones up the customer after they have hired bikes to ask questions (1); • Email survey (1) where customers reply to Belinda's Bikes by email (1); • Postal survey (1) where Belinda's Bikes send out a questionnaire in the post (1); • Face-to-face questionnaire(1) where customers are asked preset questions (1); • Suggestion box (1) where Belinda puts the box on the counter of the shop for comments to be placed into (1); • Freephone number (1) where the business's customers can leave their comments about Belinda's Bikes (1); • Focus groups (1) where a group of Belinda's customers meet to discuss aspects of the business (1); • Web forum/ blog (1) where Belinda provides a facility for customers to leave their reviews on-line (1). • Interview (1) a formal discussion with a customer (1).
<p>(c)*</p> <p>Discuss the implications for Belinda's Bikes of having inconsistent customer service.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [3 marks]</p> <p>AO4 [3 marks]</p>	<p>Level 1 Candidate identifies the implications of having inconsistent customer service [1-3 marks] Level 2 Candidate describes the implications to Belinda's Bikes of having inconsistent customer service [4-6 marks] Level 3 Candidate analyses the implications to Belinda's Bikes of having inconsistent customer service [7-9 marks] Level 4 Candidate discusses the implications to Belinda's Bikes of having inconsistent customer service [10-12 marks]</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Mixed messages • Customer confusion • Customer disappointment • Loss of customers, sales and profit • Loss of competitive advantage • Customers moving to competitors

Question Number	Expected Answer
Levels [12 marks]	<ul style="list-style-type: none">• If a firm has inconsistent customer service then it can cause a lot of problems for both itself and the customers (L1). Although the customer service at Belinda's Bike can be excellent (L2) all too often it is poor, all depending on what the staff are doing at the time (L2). This means that the customer would never know what sort of service to expect (L3). If they have visited before and received excellent service they would be disappointed to get inferior service on their next visit (L3). Also, because all the staff deal with the customers in completely different ways (L2) the customers may try to avoid a certain staff member if they are not satisfied (L2) which could lead to argument and further problems for Belinda (L3). Realistically, if customers feel the level of service provided is inconsistent, they are likely to stay away from Belinda's Bikes (L4), which may threaten the survival of the business (L4).

Question Number	Expected Answer
<p>4 (a)</p> <p>What is meant by a code of practice (line 103)?</p> <p>AO1 [2 marks]</p>	<p><i>1 mark for a basic statement plus up to one further mark development.</i></p> <ul style="list-style-type: none"> • A code of practice is a set of rules, written down (1) that will state operating requirements for a firm's activities (1); • A code of practice is a document that lists procedures (1) that a customer could expect from the firm (1).
<p>(b)</p> <p>State TWO reasons why a customer would be interested in an organisation's code of practice.</p> <p>AO1 [2 marks]</p>	<p><i>1 mark for a basic reason, up to a maximum of 2 reasons.</i></p> <ul style="list-style-type: none"> • A customer may want to see a code of practice if they were thinking about buying a product of service from a firm to check that the firm is following set guidelines (1); • If a customer is unhappy with a firm, its code of practice can be checked (1); • To see if customers have grounds for complaint (1); • If a customer has a specific need, they can check the code of practice to see if the firm has any facilities to be able to deal with it (1); • To compare businesses (1); • Show business's commitment to customer care (1); • Indicates the business ethics (1); • To see whether a customer feels they are entitled to money back (1).
<p>(c)</p> <p>State TWO reasons why an employee of an organisation would be interested in its code of practice.</p> <p>AO1 [2 marks]</p>	<p><i>1 mark for a basic reason up to a maximum of 2 reasons.</i></p> <ul style="list-style-type: none"> • An employee may want to see their firm's code of practice if they suspect that procedures are not being carried out properly so they can be rectified (1); • If an employee is new, a code of practice should help them understand the culture of the organisation so they know what they may have to do to fit in (1); • There may be procedures on the code of practice that an employee does not currently do in their own job role but would like to do (1); • It can be used as a basis for training (1); • Employees know what is expected of them/the level of customer service required (1).

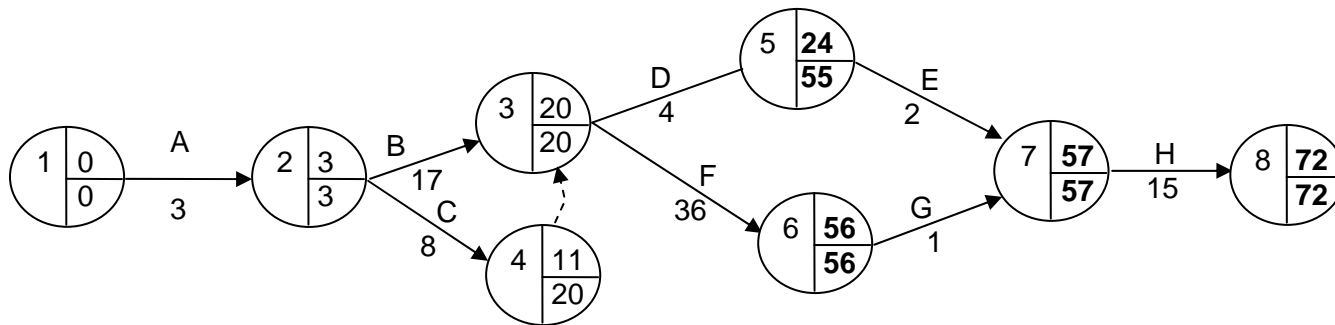
Question Number	Expected Answer
<p>(d)</p> <p>Evaluate the extent to which a code of practice is likely to improve customer service at Belinda's Bikes.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [3 marks]</p> <p>AO4 [3 marks]</p> <p>Levels [12 marks]</p>	<p>Level 1 Candidate identifies how a code of practice is likely to improve customer service [1-3 marks] Level 2 Candidate describes how a code of practice is likely to improve customer service at Belinda's Bikes [4-6 marks] Level 3 Candidate analyses how a code of practice is likely to improve customer service at Belinda's Bikes [7-9 marks] Level 4 Candidate evaluates the extent to which a code of practice is likely to improve customer service at Belinda's Bikes [10-12 marks]</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Gives employees a guide with respect to the service levels they are expected to provide; • Sets the standard of service which customers expect to receive; • Provides consistency of service; • Highlights training needs to improve the level of service; • Will encourage best practice; • It is a statement of intent which may not be adhered to; • There are other aspects of customer service which need attention; • A code of practice on its own may not overcome all the customer service issues of the business. <p>A code of practice shows the customer that an organisation is keen to follow guidelines (L1) and that it is serious about keeping its customers happy (L1). By Belinda creating a code of practice, the guidelines for what the customer should expect from Belinda's Bikes has now been set down (L2) so the staff should now have something to follow (L3) and their customer service should, in theory, be more consistent (L3) as they all should be doing exactly the same thing (L3). However, just because a code of practice has been created, it does not mean that the staff will necessarily follow it (L3) and there is a danger that the customers will have more grounds for complaint if they see a certain element, such as provision of a lock, has not happened (L3). Realistically, a code of practice for Belinda's Bikes is only a step towards improving the customer service. Simply having a code of practise will not overcome any of the customer service issues at Belinda's Bikes. A code of practice needs to be implemented to have any effect at all (L4). Even then, even if all of the staff followed the code of practice this would not address the bigger customer service issues of Belinda Bike's employees not knowing how to handle its customers (L4). Improving customer service training so that all staff know how to deal with customers is likely to have a greater positive impact on current practise than Belinda Bikes implementing a code of practice (L4).</p>

F248 Strategic decision-making

Question Number	Expected Answer
<p>1 (a)</p> <p>What is meant by the term 'stakeholder'?</p> <p>AO1 [2 marks]</p>	<p><i>Up to two marks</i></p> <p>A stakeholder is anyone or anything that has and is affected by or can affect on a business (1). They are said to have a 'stake' in the activities or performance of an organisation (1). Stakeholders can be internal or external (1).</p> <p>Accept 'interest', 'stake', 'have possible impact'. DNA "has an influence' but accept 'may have an influence'</p> <p>NB examples not accepted – except where the example <u>explains</u> the point.</p>
<p>(b)</p> <p>State two possible stakeholders in Green Farm before it had considered electricity generation and explain why they would have been a stakeholder in this business.</p> <p>AO2 [4 marks]</p>	<p><i>One mark for each stakeholder and one mark for reason (twice)</i></p> <p>Stakeholders: local farmers residents suppliers of fertiliser etc the environment generally employees (can name the farming assistants)</p> <p>The second mark must be for WHY they are stakeholders, not a general explanation.</p> <p>DNA repetition that does discriminate AT ALL between stakeholders.</p> <p>Eg local farmers (1)because they will be affected by Green Farm's choice of crops as a competitor (1).</p>

Question Number	Expected Answer
<p>2 (a)</p> <p>Calculate the labour productivity per day in September 2008.</p> <p>AO1 [1 mark]</p> <p>AO2 [1 mark]</p>	<p><i>Up to two marks</i></p> <p>Lab productivity = output/labour (1) 66/6 = 11 (1) bales</p> <p>2 marks for correct answer</p> <p>Max 1 mark to candidates who have deducted the wastage ie $\frac{66-7}{6} = 9.8$</p>
<p>2 (b)</p> <p>Calculate the wastage level per day in September 2007.</p> <p>AO1 [1 mark]</p> <p>AO2 [1 mark]</p>	<p><i>Up to two marks</i></p> <p>Wastage rate = waste level/output (1) 4/60 x 100 = 6.7 (1)% or 1/15th (1)</p> <p>Accept rounding up to 7%.</p> <p>2 marks for correct answer</p>
<p>(c)</p> <p>Explain one reason why productivity might be falling on the farm.</p> <p>AO1 AO2 [3 marks]</p>	<p><i>One mark for an identification, plus up to a further two marks for an explanation</i></p> <p>Resource reallocation to reduce timing of critical activities, re-manning and so on, lack of motivation, lack of training, inexperienced workers, weather.</p> <p>DNA explanation of the numbers – MUST BE A REASON.</p> <p>Eg productivity may fall because migrant labourers might lack necessary skills (1). This may mean the tasks are not carried out as efficiently as they could be (1), which would in turn result in a fall in productivity (1).</p>

Question Number	Expected Answer
<p>3 (a)</p> <p>From this series of activities Sue put together a network diagram (below). Complete the EST (earliest start time) and LFT (latest finish time) for each node in the diagram. Nodes 1, 2, 3 and 4 are already completed.</p> <p>AO1 [8 marks]</p>	<p>One mark for each correct answer up to a maximum of eight marks.</p>



Question Number	Expected Answer
<p>(b)</p> <p>Calculate the total float for activity E.</p> <p>AO1 [1 mark]</p> <p>AO2 [1 mark]</p>	<p><i>Up to two marks</i></p> <p>Total float = LFT at end - duration - EST at start (1) $57 - 2 - 24 = 31$ (1)</p> <p>OFR applies (LFT node 7 – 2 – EST node 5). Please annotate OFR.</p> <p>2 marks for correct answer</p>
<p>(c)</p> <p>Calculate the free float for activity D.</p> <p>AO1 [1 mark]</p> <p>AO2 [1 mark]</p>	<p><i>Up to two marks</i></p> <p>Free float = EST at end – duration – EST at start (1) $24 - 4 - 20 = 0$ (1)</p> <p>OFR applies (EST node 5 – 4 – EST node 3)</p> <p>2 marks for correct answer</p>

Question Number	Expected Answer
<p>(d)</p> <p>Analyse how Eco-Power Ltd could use the network diagram to reduce the overall construction time for the wind turbines.</p> <p>AO1 [2 marks]</p> <p>AO2 [2 marks]</p> <p>AO3 [2 marks]</p>	<p>Resource reallocation to reduce timing of critical activities, re-manning and so on.</p> <p>ARA</p> <p>Level 1 Identification/explanation of CPA technique with no context [1-2 marks] Level 2 Suggested use of CPA in context of turbine construction [3-4 marks] Level 3 Candidates analyses how Eco-Power Ltd could use the network diagram to reduce the overall construction time for the wind turbines [5-6 marks]</p> <p>Eg Calculating the critical path enables a firm to change its priorities and re-allocate resources (L1). Eco-Power Ltd could move some of its human and technical resources from D and E to F and G so that time is saved (L2). However, this may prove difficult if the workers doing the ground works do not have the necessary training and skill to do turbine construction (L3).</p>

Question Number	Expected Answer
<p>4</p> <p>Kirsty was aware that Option Three (paintballing) would involve considerable change in terms of her workforce arrangements. If GWF takes this option, discuss how Kirsty should manage this change in relation to GWF's workforce.</p> <p>AO1 [2 marks]</p> <p>AO2 [2 marks]</p> <p>AO3 [3 marks]</p> <p>AO4 [5 marks]</p> <p>Levels [12 marks]</p>	<p>Level 1 Knowledge of management of change [1-2 marks] Level 2 Explains changes to the workforce arrangements [3-4 marks] Level 3 Candidates analyses the advantages/disadvantages of the workforce change [5-7 marks] Level 4 Candidate evaluates how Kirsty should manage the workforce change or the change itself [8-12 marks]</p> <p>Issues: Recruitment Redundancy of inappropriate staff Training Changes of pay & conditions 'Selling' idea in first place</p> <p>Eg Staff need to have changes managed sensitively (L1). This is true at GWF where the staff are used to farming and would not be ready for something totally different (L2). Kirsty needs to ensure that she gives training to staff and selects those who are appropriate for this venture, otherwise she will have serious labour relations problems (L3). However, Kirsty has considerable power in that she could employ more East Europeans who would be willing to work and could do the paintballing - so there need be no threat to her current workforce (L4).</p>

Question Number	Expected Answer
<p>5 (a)</p> <p>What is meant by the term 'pay back period'.</p> <p>AO1 [2 marks]</p>	<p><i>Up to two marks</i></p> <p>1 mark for brief explanation, one further mark for more detail or a concise accurate answer.</p> <p>Eg The PBP measures how long an investment takes to pay for itself (2).</p> <p>The period of time taken to pay a set amount of money back using net cash flow (1).</p> <p>NB DNA with confusion for paying back a loan.</p>
<p>(b)</p> <p>What is meant by the term 'net present value'.</p> <p>AO1 [2 marks]</p>	<p><i>Up to two marks</i></p> <p>1 mark for brief explanation, one further mark for more detail.</p> <p>Eg The NPV looks at the time value of money (1). It restates the future values of returns in today's value terms (1).</p>

Question Number	Expected Answer
<p>(c)</p> <p>The investment appraisal data for Option One was presented to Kirsty (see Table 1).</p> <p>Using Table 2 below, calculate for Option One:</p> <p>AO1 [4 marks] AO2 [7 marks]</p> <p>(i) Pay Back Period (PBP)</p> <p>(ii) ARR</p>	<p><i>Up to three marks</i></p> <p>PBP = point at which investment covered (1) $9 + 12 \div 4 \div 16$ (1+1) ie 2 marks as knowledge of formula implied = 2.25 years or 2 years 3 months or 2 years 13 weeks (1)</p> <p>3 marks for correct answer</p> <p><i>Up to four marks</i></p> <p>ARR = $77,000 - 25,000 = 52,000$ (1) $52,000 \div 5$ (1+1) = 10,400 pa (1+1+1) $10,400 \div 25,000 \times 100 = 41.6\%$ (4)</p> <p>Allow rounding to 41% or 42%.</p> <p>4 marks for correct answer (alternative calculation OCR book method av. profit/av. cap employed = (10,400/12,500 x 100 = 83.2%)</p>

Question Number	Expected Answer
<p>(iii)</p> <p>Using Table 3, calculate the net present value for Option One.</p>	<p><i>Up to four marks</i></p> <p>NPV (25,000) 8,190 (1) 9,960 12,000 (1) 1 mark per correct 'pair' 13,600 12,400 (1) Total NPV = 31,150 (1) 4 marks for correct answer</p> <p>Full marks for correct answer irrespective of whether boxes are completed.</p>
<p>(d)</p> <p>Explain two reasons why Kirsty might be more tempted to take notice of the ARR method than the pay back method.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>One mark for each of two reasons plus up two further marks for each of two explanations in context.</i></p> <p>Reasons: ARR values long term, PBP ignores this. ARR looks at total return, PBP does not give a financial figure ARR gives a yield figure, PBP gives a time period</p> <p>DNA answers about figures, the question is about METHOD.</p> <p>Any explanation must be a comparison (implicit or explicit).</p> <p>Accept "unlike PBP, ARR looks at future profits" DNA "ARR looks at future profits".</p> <p>Eg Unlike PBP, ARR looks at long term (1). This is important for GWF as investments will take time to pay back (1) and the PBP simply looks at quickest return, but not ultimate value for money (1).</p>

Question Number	Expected Answer
<p>6</p> <p>Before Kirsty decides on an option she wants each of Keith, Sue and Roger to produce a clear and precise marketing strategy for the option they had researched. Recommend and justify an appropriate marketing strategy for one of the three options.</p> <p>AO1 [2 marks]</p> <p>AO2 [2 marks]</p> <p>AO3 [3 marks]</p> <p>AO4 [5 marks]</p> <p>Levels [12 marks]</p>	<p>Level 1 Knowledge of marketing issues with no context [1-2 marks] Level 2 List 4Ps issues/explains points in context [3-4 marks] Level 3 Candidate analyses an appropriate marketing strategy for the stated option [5-7 marks] Level 4 Candidate recommends and justifies (evaluates) an appropriate marketing strategy for the stated option [8-12 marks]</p> <p>Issues: Price – appropriate for getting into paintball market eg penetration or skimming if competition not a threat. Price discrimination, etc Product – high quality arena, guns, facilities etc. Promotion – brochures, inspection visits, website, fliers, local radio, special offers, etc</p> <p>Eg To produce a marketing strategy firms look at the 4Ps (L1). GWF must consider its promotion – methods such as brochures combined with a high quality website (L2). These are particularly appropriate because they will be cheap, yet wide coverage and it is having to compete with local and competition further afield (L3). It is important that this is complemented by a good product, as with paintball much of the promotion will be spread by word of mouth and must consider an integrated strategy, not just promote it well (L4).</p>

Question Number	Expected Answer
<p>7 (a)</p> <p>Explain the usefulness of Ansoff's Matrix as a decision making tool, to a business such as GWF.</p> <p>AO1 [2 marks]</p> <p>AO2 [2 marks]</p>	<p><i>Up to four marks for level of detail regarding usefulness, allow development marks</i></p> <p>Ansoff's Matrix can be used to assess risk (1). It enables a firm to put a planned venture into one quadrant according to 'newness' of market and product (1). This then enables an assessment of risk to be made depending on how much the venture is 'unknown' (1) and also gives some idea as to strategy regarding the 4 Ps (1).</p> <p>DNA answers referring to decision-making tools in general. Eg DNA 'must not be relied on on its own'</p> <p>Eg Ansoff's matrix can tell you how risky an option is (1).</p>

Question Number	Expected Answer
<p>(b)*</p> <p>QWC assessed here</p> <p>Using Ansoff's Matrix and any other qualitative and/or quantitative information, recommend and justify which option GWF should choose.</p> <p>AO1 [4 marks]</p> <p>AO2 [5 marks]</p> <p>AO3 [5 marks]</p> <p>AO4 [6 marks]</p> <p>Levels [20 marks]</p>	<p>Level 1 General comments about expansion or other issues - out of context [1-4 marks] Level 2 Explanation/list of reasons related to options [5-9 marks] Level 3 Candidates analyses which option GWF should choose [10-14 marks] Level 4 Candidates recommends and justifies (evaluates) which option GWF should choose (15-20 marks)</p> <p>Many different possibilities, including use of: Ansoff's PBP/ARR/NPV Qualitative information</p> <p>Eg Expansion into new products is a good option for most businesses after years of operation (L1). Ansoff's Matrix would suggest that Option One is the least risky as it involves doing something it already does (growing oil seed, although there would be some difference), but presumably selling it to a new customer - ie Product Development (L2). This is supported by a decent ARR and very quick PBP, which make this an excellent short term investment. With oil crises of the future this must be a 'winner' (L3). However, if GWF is looking for higher returns and a longer term investment then it should consider Options Two and Three. Option Three, although risky according to Ansoff's Matrix (Diversification), it is not particularly high risk (unlike turbines) as the investment is small and, given leisure trends, the returns are likely to be guaranteed (L4).</p>

F256 Business law

Question Number	Expected Answer
<p>1 (a)</p> <p>State FOUR legal provisions of the Partnership Act 1890.</p> <p>AO1 [4 marks]</p>	<p><i>One mark for each correct identification up to a maximum of four identifications.</i></p> <ul style="list-style-type: none"> • All profits or losses to be shared (1); • No capital withdrawal allowed (1); • If a partner leaves or dies, the partnership must be dissolved (1). • No partner can be paid a salary (1); • Sick pay cannot be paid (1); • All partners are jointly and severally liable for the debts of the partnership (1); • Each partner is an agent of the firm making decisions on behalf of all other partners (1); • The partners must be conducting business for the purpose of making profit (1); • Partners must be carrying on in business (1); • Act in common to allow all partners a say in the management of the business (1); • No interest is payable on capital (1); • Partners can be indemnified for expenses (1). <p>DNA “unlimited liability” because this is a provision of the Companies Act. DNA “2-20 members” because this is a definition not a provision.</p>

Question Number	Expected Answer
<p>1 (b) (i)</p> <p>Explain why Bradley and Jagdeep created a Deed of partnership.</p> <p>AO1 [1 mark]</p> <p>AO2 [2 marks]</p>	<p><i>Up to three marks.</i></p> <ul style="list-style-type: none"> • To overrule the requirements of the Partnership Act (1); • Stops future disputes (1); • Clarity of operation (1); • States who does what (1); • Percentage profit share (1); • Establishes rewards (1). <p>DNA “to formalise” the agreement because a Partnership is legal without a Deed.</p> <p>Eg To vary the requirements of the Partnership Act (1) so that Jagdeep and Bradley may take a wage (1) rather than having to wait for a share of annual profits (1).</p> <p>Eg To clarify what would happen if the partnership was dissolved (1) especially as Headlines Partnership are in debt (1) as they have taken out a bank loan (1).</p> <p>Eg A deed states who does what in the business (1) to clarify responsibilities (1) and minimise disputes (max 2 – no context).</p>

Question Number	Expected Answer
<p>1 (b) (ii)</p> <p>Explain FOUR legal statements which it would be appropriate to include in The Headlines Partnership's Deed of Partnership.</p> <p>AO1 [4 marks]</p> <p>AO2 [4 marks]</p>	<p><i>One mark for each correct identification to a maximum of four identifications, plus up to one further mark for each of four explanations.</i></p> <ul style="list-style-type: none"> • Percentage share of profit/ losses (1); • If capital can be withdrawn (1); • Sick pay and sick leave etc (1); • Duties and responsibilities of partners (1); • If salary is to be paid to anyone (1); • Holiday entitlement (1); • Arrangements in case of dissolution (1); • Dismissal of partners (1); • How new partners are brought in (1); • Identity of partners (1); • Business name (1); • Date partnership started (1); • Duration (1); • Nature of the business (1); • Business address (1); • Start up capital (1); • How decisions will be made (1); • Bank account details (1); • Signatures (1). • Working hours (1) <p>Eg The deed will state the provision for adding a third partner (1) to avoid disputes in the future (1).</p> <p>Eg The deed will specify the percentage share of profits or losses for Bradley and Jagdeep (1), since both have invested the same amount these are likely to be shared equally (1).</p>

Question Number	Expected Answer
<p>1 (c)</p> <p>Explain how unlimited liability may affect The Headlines Partnership.</p> <p>AO1 2 AO2 1 [3 marks]</p>	<p><i>Up to 3 marks for an explanation of the principle of unlimited liability in context</i></p> <p>Unlimited liability means that there is no limit to the owner's own personal loss (1). As the business is not incorporated it therefore has the same legal identity as the owner (1). This would mean that Bradley and Jagdeep could lose their personal assets such as their houses (1)</p>
<p>1 (d)</p> <p>State the main principle of The Limited Partnership Act 1907.</p> <p>AO1 [1 mark]</p>	<p><i>1 mark for main principle.</i></p> <p>The Act enables the creation of limited partnerships. At least one partner must retain unlimited liability.</p> <p>DNA "Partnership with limited liability" because the partnership itself does not have limited liability.</p> <p>Eg There can be a limit to the financial liability of some of the partners (1).</p>

Question Number	Expected Answer
<p>1 (e*)</p> <p>Evaluate Bradley and Jagdeep's decision to change the legal status of their business from a partnership to a private limited company.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [4 marks]</p> <p>AO4 [5 marks]</p> <p>Levels [15 marks]</p>	<p><i>Use level of response criteria.</i></p> <p>Level 1 Statement of issue(s) with no context [1–3 marks] Level 2 Explanation of issue(s) in context [4–6 marks] Level 3 Analysis of advantage(s)/disadvantage(s) of Headlines changing its legal status [7–10 marks] Level 4 Evaluation of Headlines decision to change its legal status [11–15 marks]</p> <p>Evaluation of the decision to become a Ltd (as opposed to remaining a partnership)</p> <p>Issues include:</p> <p>Partnership: Income tax No start-up requirements. Unlimited liability. No published accounts. Governed by PA 1890. Jointly and severally liable. Keep profits. Keep ownership.</p> <p>Limited Company: Corporation Tax. Many legal requirements. Limited liability. Must publish accounts. Governed by CAs. Separate legal entity. Pay dividends/share profit. May dilute ownership.</p> <p>This question tests the Candidate's ability to compare a partnership with an Ltd. Award arguments which refer to limited partnerships but DNA arguments which compare with sole trader or plc. Eg Private limited companies are able to sell shares privately (L1). This means that Bradley and Jagdeep</p>

Question Number	Expected Answer
	would be able to raise more capital. (L2) . This extra finance could help them to buy more shops and expand more rapidly (L3) . However, this may not be a good idea for Bradley and Jagdeep as they like to run their business their way and the additional shareholders may require some say in future business taking the business in a direction that the founding partners are not entirely happy with (L4) .

Question Number	Expected Answer
<p>2 (a)</p> <p>What is meant by the term 'common law'?</p> <p>AO1 [2 marks]</p>	<p><i>Up to two marks.</i></p> <p>Common law is made up of legal principles decided by judges where, at the time of the case, no legislation to cover the case was in force. The decision is made on the grounds of fairness and equity. These written decisions of judges are binding on lower courts. In similar cases Judges must exercise 'judicial precedent', standing by what has already been decided. Some judges decisions made in the nineteenth century are still valid today, although many have been revised in light of differences in evidence, the principles remain the same.</p> <p>Eg Common law is the body of law created over time by judges (1) in similar cases judges must exercise judicial precedent (1).</p>
<p>2 (b)</p> <p>Explain how the concept of vicarious liability may apply to HL Ltd.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>Up to 6 marks for explanation.</i></p> <p>Vicarious liability is the principle of an employer being held responsible for an employee's actions only during the course of their employment and not when they are on a frolic of their own.</p> <p>DNA answers relating to contributory negligence because this is a different legal principle.</p> <p>Eg Mike clearly forgot to wash bleach out of a customer's hair (1) during the course of his employment (1) therefore HL Ltd are clearly liable to pay damages (1) from Mike's actions (1) the customer can sue the Partnership (1) which should be covered by liability insurance (1).</p> <p>Eg Vicarious liability means that an employer is held legally responsible for an employee's actions (1) during the course of their employment (1) (2 max).</p>

Question Number	Expected Answer
<p>2 (c)</p> <p>Explain THREE reasons why it is important for <i>HL Ltd</i> to draw up a contract of employment for employees such as Mike.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p>	<p><i>1 mark for each of the three points made and a further mark for each of three explanations up to a maximum of 6 marks.</i></p> <ul style="list-style-type: none"> • To meet legal requirements • To inform employees of their rights / responsibilities • To avoid misunderstanding • To minimise disputes • To protect both parties <p>Award “dismissal procedure” as these may be organisation specific but DNA “reasons for dismissal” because these are given by Statute and not expressly stated in a contract of employment.</p> <p>DNA “duty of care” as this is given by common law not contract of employment.</p> <p>Eg A contract of employment is a legal requirement (1) and should be in the hands of an employee within 8 weeks of starting work (1).</p> <p>Eg A contract of employment avoids arguments about terms and conditions of employment (1) because it will outline what is expected of each party in writing (1).</p> <p>Eg A contract of employment may give a sense of protection to employees (1) and, therefore, aid security/motivation (1).</p>

Question Number	Expected Answer
<p>2 (d)</p> <p>Evaluate the extent to which Mike's dismissal might be unfair.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [4 marks]</p> <p>AO4 [5 marks]</p> <p>Levels [15 marks]</p>	<p><i>Use level of response criteria:</i></p> <p>Level 1 Meaning of unfair dismissal OR indication of issue(s) with no context [1-3 marks] Level 2 Explanation of issues in context [4-6 marks] Level 3 Analysis of reason(s) for/against unfair dismissal of Mike [7-10 marks] Level 4 Evaluation of whether Mike's dismissal was unfair [11-15 marks]</p> <p>Issues include:</p> <p>Unreasonable demands placed on Mike Doing job previously done by two people Many disagreements Duty of care Negligence? Lack of training? Existence of contract of employment for Mike? Whose responsibility – pay rates, breaks, trainee contracts- Mike's or owners? Lateness – reason? Contributory negligence Ground for constructive dismissal</p> <p>DNA award arguments relating to wrongful dismissal (warnings and procedures) because this is a separate legal principle.</p>

Question Number	Expected Answer
	<p>Eg Fair dismissal is where an employee is dismissed for a reason such as gross misconduct (L1). Mike's dismissal he has been late three days running (L2). Mike's lateness has had a serious effect on the business but there is no evidence that Bradley or Jagdeep have made any attempt to find out the reason for Mike's lateness. Without this information it is impossible to judge whether Mike's dismissal was unfair (L3). If Mike had a poor attitude to work and simply turned up persistently late for work then this would be grounds for fair dismissal, however since he was described as a "loyal" employee there is likely to be a different explanation, it is possible that the unreasonable demands of the job are simply exhausting Mike making the dismissal unfair (L4).</p>

Question Number	Expected Answer
<p>3 (a)</p> <p>What is the difference between express and implied terms in relation to contracts?</p> <p>AO 1 [2 marks]</p>	<p><i>Up to two marks for identifying the difference between express and implied terms.</i></p> <p>Express terms of a contract are statements actually made by parties by word of mouth or in writing. Implied terms are not actually stated in the contract but introduced by statute, custom or common law.</p> <p>Eg Implied terms are imposed from current legislation (1) whereas express terms are actually stated in the contract (1).</p> <p>Eg Express terms are included in the contract (1) implied terms are not (1).</p>
<p>3 (b)</p> <p>Outline FOUR legal requirements needed to make the contract between HL Ltd and John Kerry valid.</p> <p>AO1 [4 marks]</p> <p>AO2 [4 marks]</p>	<p><i>One mark for each correct identification to a maximum of four identifications, plus up to one further mark for each of four developments in context.</i></p> <p>Offer – a statement without misrepresentation Acceptance – unconditional consent to all terms Consideration – some sense of mutual exchange of value Intention – intending to be legally bound by the contract Capacity – ability/authority to make a contract Legality Meeting of minds</p> <p><i>Do not award ‘agreement’ for ‘acceptance’</i></p> <p>Eg An offer must be made (1) in this case HL Ltd would offer John Kerry the option to carry out the electrical work (1)</p> <p>Eg Consideration (1) a price must be agreed for the electrical work (1)</p>

Question Number	Expected Answer
<p>3 (c)</p> <p>Evaluate the advantages and disadvantages to <i>HL Ltd</i> of taking court action based on the Supply of Goods and Services Act.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [4 marks]</p> <p>AO4 [5 marks]</p> <p>Levels [15 marks]</p>	<p><i>Use levels of response criteria:</i></p> <p>Level 1 Knowledge of Supply of Goods and Services Act /court action with no context [1–3 marks] Level 2 Explanation of issues in context [4–6 marks] Level 3 Analysis of issues concerning HL Ltd taking court action based on the Supply of Goods and Services Act [7–10 marks] Level 4 Evaluation of issues concerning HL Ltd taking court action based on the Supply of Goods and Services Act [11–15 marks]</p> <p>Court action v out of court settlement:</p> <p>Last resort Time/effort Legal costs Publicity Indemnification Compensation Speed of result</p> <p>Court Action v no action Do not have to wait for court proceedings Can immediately sort the situation out themselves Save on legal costs Not worth making a fuss over Publicity</p> <p>SGSA Reasonable care Reasonable skill Reasonable price Reasonable time Written contract? Contract law – breach of contract Likelihood of success? Liability?</p>

Question Number	Expected Answer
	<p>Eg Taking court action is usually a last resort when all other avenues have failed (L1). Taking court action will involve Bradley and Jagdeep spending a lot of time preparing for the case (L2). Given that they are both very busy developing Headlines Ltd this may not be the best use of their time (L3). Bradley and Jagdeep need to concentrate their efforts on the future expansion of the business and not lose their focus on a relatively small issue like this that can easily be fixed. They should seek to settle out of court with John Kerry, even if it means settling for slightly less than they think they would achieve through the courts, it is better to sort it immediately and concentrate once again on the expansion in order to ensure the future success of the business (L4).</p> <p>Eg Legal cases take ages to come to court (L1). Whilst waiting for the court case Headlines Ltd may get some media publicity (L2). Bad press and legal argument may drive customers away from Headlines, reducing their revenue and profit (L3). It would be better for them in the long run to cut their losses, make good the electrics as soon as possible, avoid media attention and maintain their excellent company image (L4).</p> <p>Eg The SGSA says that workmanship must be done in a reasonable length of time (L1). John Kerry took longer than the one week agreed to complete the work (L2). However John Kerry could argue that this was because he met with complications that could not have been foreseen at the time of agreeing the contract (L3). If Headlines Ltd took court action under the SGSA the court may well rule that under the circumstances he should have been given more time to fix the faults. Bradley and Jagdeep have made unreasonable demands on the electrician, just as they had their employee, Mike. They should not take action under the SGSA as they are likely to lose and incur the court costs as well (L4).</p>

Question Number	Expected Answer
<p>4 (a)</p> <p>Explain TWO ways in which the Data Protection Act may impact on Headlines Ltd.</p> <p>AO1 [2 marks]</p> <p>AO2 [2 marks]</p>	<p><i>One mark for a correct identification to a maximum of two identifications, plus up to a further one mark for each of two impacts.</i></p> <p>Principles of DPA: Data obtained & processed lawfully. Kept only for the purposes of the register. Not disclosed/used for any purpose other than that intended. Relevant and not excessive. Accurate and kept up to date. Not kept longer than necessary. Reasonable access to correct and erase. Obligation to protect security. Not sell without permission from data subjects Not transfer out of the EU.</p> <p>Impacts: Avoid getting sued Reduce complaints Keep business reputation Less time/cost involved as fewer problems occur Less potential for fines More time taken with administrative procedures Cost of keeping data secure Increased training requirements Specialist staff.</p> <p>Eg HL Ltd cannot disclose data to others without their agreement (1), keeping to this principle will allow them to avoid potential complaints (1).</p> <p>Eg Data must be kept secure (1), which may require the employment of specialist staff (1).</p>

Question Number	Expected Answer
<p>4 (b)</p> <p>Explain FOUR steps which must be carried out if a company such as Hair Salon Products Ltd is COMPULSORILY wound up.</p> <p>AO1 [4 marks]</p> <p>AO2 [4 marks]</p>	<p><i>One mark for a correctly identified step to a maximum of four steps, plus up to one further mark for each of four explanations.</i></p> <p>Procedure for compulsory liquidation: Receipt of court order Notice in Gazette Liquidator (official receiver) appointed Cease trading Directors dismissed. Employees' contracts terminated. Firm's assets sold Pay creditors in order of preference. Distribution to shareholders (if funds permit) Winding up order sent to Companies House.</p> <p><i>This question tests candidate's knowledge of the steps involved in compulsory liquidation. No attempt is made to save the firm. Do not award marks for steps that apply to voluntary liquidation or administration only. Eg DNA passing a resolution at a Directors' meeting as this applies to voluntary liquidation and administration but not compulsory liquidation which is by court order.</i></p> <p>Eg Hair Salon Products Ltd's employee's contracts must be terminated (1) and they should be paid any wages owed (1).</p> <p>Eg A notice will be placed in the London Gazette (1) to give notice to all stakeholders of the impending liquidation (1).</p>

F257 Managing risk in the workplace

Question Number	Expected Answer
<p>1 (a)</p> <p>What is meant by the term 'risk management'?</p> <p>AO1 [2 marks]</p>	<p><i>Up to two marks for a definition.</i></p> <ul style="list-style-type: none"> • A distinct management function (1) to minimise exposure to the possible negative consequences of a particular course of action (1) • A management function (1) to limit negative consequences from a course of action (1). <p>Accept examples that illustrate the meaning of the term.</p> <p>Eg A strategy (1) to limit problems from an action (1).</p>
<p>(b)</p> <p>Explain TWO ways in which a strike may affect the smooth running of a business.</p> <p>AO1 [4 marks]</p>	<p><i>One mark for each correct identification up to a maximum of two identifications, plus up to a further one mark for each of two explanations.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • productivity is reduced (1) leading to a lack of supply (1); • staffing levels decline (1). Temporary staff will not have been trained to carry out work (1); • production could be halted (1); • quality of service is reduced (1); • bad publicity (1); • bad reputation/image (1); • poor motivation (1); • strained relationships with management (1); • reduced profits (1); • difficulty in tendering for contracts (1); • difficulty in hiring staff (1); <p>Eg Employees would take time out from work (1) this would halt production (1).</p>

Question Number	Expected Answer
<p>(c)</p> <p>SBS change from a two shift to a three shift system.</p> <p>Explain TWO possible issues SBS would have considered before making this change.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of two explanations.</i></p> <p>Responses include:</p> <ul style="list-style-type: none"> • more employees will be needed (1). This may add training costs to the business (1) and will reduce productivity in the short term (1); • some employees will have to work unsociable hours (1). This may require a higher rate of pay to be offered in order to attract workers (1) and will increase the running costs of the additional shift (1); • impact upon health and safety (1); • impact upon loss of downtime for machinery maintenance (1); • impact upon motivation (1); • impact upon quality (1); • reputation (1); • profitability (1). • could lead to industrial action (1) <p>Eg Some employees may need to work nightshifts (1) and they could become tired (1) which may mean they have more accidents (1).</p>

Question Number	Expected Answer
<p>(d)</p> <p>Evaluate the extent to which the proposed move to Asia is a worthwhile strategic risk.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [4 marks]</p> <p>AO4 [5 marks]</p> <p>Levels [15 marks]</p>	<p><i>Use levels of response criteria.</i></p> <p>Level 1 Candidate identifies issue(s) relating to strategic risk with no context [1-3 marks]</p> <p>Level 2 Candidate applies knowledge and understanding of strategic risk for SBS in moving to Asia [4-6 marks]</p> <p>Level 3 Candidate analyses likely implication(s) of the strategic risk to SBS of moving to Asia [7-10 marks]</p> <p>Level 4 Candidate evaluates the extent to which the prepared move to Asia is a worthwhile strategic risk to SBS [11-15 marks]</p> <p>Issues include:</p> <ul style="list-style-type: none"> • New rules and regulations • Culture • Working relations • Financial implications • Expansion possibilities • Cost of labour • Target market • Motivation • Industrial action • Reputation/quality • Exchange rates • Language barriers • Communication <p>Eg An international move will mean the staff and conditions of employment will be a new experience for the business (L1). It is therefore a situation in which the business will need to acclimatise to local employment law and cultural differences that may occur in Asia (L2). These may cause disruption to established working practices (L3) and therefore create unforeseen delays (L3). Costs of late delivery may have to be absorbed by SBS until workers are trained and new working practices established (L3). However, this could be outweighed if UK production becomes impossible (L4).</p>

Question Number	Expected Answer
	<p>Eg Moving to a different country will be totally different to operating a business in the UK (L1). There is likely to be a whole new set of rules which the staff at SBS will need to implement (L2). This could mean that they will incur moving costs (L3) as they need to establish good working practises and this may therefore negatively affect profit (L3). Furthermore it may be difficult to establish good working relations as cultures in Asia may be different (L3) and this could mean possible motivational issues may arise (L3). However, this could be a short term problem and could be outweighed by the potentially larger market, expansion possibilities and cheaper labour in the long term (L4).</p>

Question Number	Expected Answer
<p>2 (a)</p> <p>In the context of health and safety, what is meant by the term 'risk'?</p> <p>AO1 [2 marks]</p>	<p><i>Up to two marks for definition.</i></p> <ul style="list-style-type: none"> • The potential negative consequences/likelihood of harm (1) that can impact on a business from a particular hazard (1); • a risk is something that has the ability to cause harm (1). It may be any activity such as lifting heavy loads (1) <p>Maximum one mark for an example.</p> <p>Eg The likelihood of harm (1) for example Geoff having a chest infection from breathing in dust (1).</p>
<p>(b)</p> <p>Give THREE features of the Manual Operations Handling Regulations (1992).</p> <p>AO1 [3 marks]</p>	<p><i>One mark for each of three correct identifications.</i></p> <ul style="list-style-type: none"> • place duties upon employers in respect of their own employees (1); • identical duties (as those of employers) are placed on the self-employed in respect of their own safety (1); • regulations do not impose duties on employers in relation to other persons (1) • employers must give information on the positioning of a load (1); • employers must take appropriate steps to reduce risk of injury (1); • provision of information on size/weight of load (1); • employers responsibility to ensure that employees do not manually handle items that could put them at risk (1); • safe pushing/pulling (1); • correct lifting (1); • provision of manual handling training (1); • provision of protective clothing (1); • appropriate twisting/ turning (1); • use equipment appropriately (1); • good handling technique (1); • provision of risk assessment (1); • provision of mechanical aids (1); • employee requirement to report risks to employer (1); • maximum 30 manual handling operations per hour (1).

Question Number	Expected Answer
<p>(c)</p> <p>Explain TWO possible workplace health and safety risks which may occur at SBS.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>One mark for each correct identification up to a maximum of two identifications, plus up to a further two marks for each of two explanations.</i></p> <ul style="list-style-type: none"> • use of equipment and machinery (1) in the manufacture of soaps such as the mixer (1), could lead to injury if used incorrectly (1) • Substances – breathing/handling/being in contact (1) • exposure to toxic substances (1). In this case exposure to chemicals in the production process may lead to irritation of skin or eyes (1); over time this may develop into a more serious condition (1) • environmental risks (1) eg dust inhalation (1) could lead to serious breathing/respiratory problems (1) • general working conditions (1). • display screen equipment (1) • conditions/illnesses caused by poor health and safety provision (1) • activities – lifting/moving heavy load/poor work posture/lack of consideration of ergonomic factors (1). <p>Eg Carrying heavy loads (1) the employee could trip on the stairs (1) causing injury (1).</p>

Question Number	Expected Answer
<p>(d)</p> <p>Explain THREE possible methods which SBS could take to minimise risks on the shop floor.</p> <p>AO1 [3 marks]</p> <p>AO2 [6 marks]</p>	<p><i>One mark for each correct identification up to a maximum of three identifications, plus up to a further two marks for each of three explanations.</i></p> <ul style="list-style-type: none"> • carrying out a risk assessment (1). This would help employers of SBS to identify potential hazards (1) and steps could be put in place eg provision of breathing equipment (1); • contingency planning (1); • hiring a health and safety consultant (1); • provision of breaks (1); • provision of machinery (1); • provision of protective equipment (1); • provision of protective clothing (1); • signs to identify hazards (1); • health and safety training (1); • following HSE guidelines/procedures (1); • provision of health and safety guidelines (1). <p>Eg Hiring a health and safety consultant (1) would help SBS by pointing out potential hazards (1). SBS could then implement procedures to safeguard their workers (1)</p>

Question	Expected Answer
<p>3 (a)</p> <p>Explain THREE problems SBS may encounter if it does not attempt to minimise risks on the factory floor.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p>	<p><i>One mark for an identification of a measure up to a maximum of three identifications plus up to one further mark for each of three developments.</i></p> <ul style="list-style-type: none"> • if inspected by the HSE conditions may be considered unsuitable (1) leading to a risk of closure/ fine (1); • SBS may be in breach of their duty of care (1). If an employee had an accident on the production line SBS may be liable (1); • complaints from customers (1), leading to poorer reputation/decreased sales/decreased profits (1); • decrease in motivation (1); • bad publicity (1); • increase in absences (1); • increase in labour turnover (1); • increase in accidents (1); • difficulties in recruitment (1); • pay compensation for injury (1); • complaints (1); • official enquiry (1); • increasing costs (+1). <p>Eg More injuries occur (1) which could lead to staff wanting to leave SBS (1).</p>

Question Number	Expected Answer
<p>(b)</p> <p>Explain TWO ways in which ON-THE-JOB training may be of benefit to SBS.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>One mark for each correct identification, up to a maximum of two identifications, plus a further two marks for each of two explanations.</i></p> <ul style="list-style-type: none"> • an employee could work with an experienced employee (1). For example, Geoff could show the new recruit how to operate the mixer (1) helping to reduce the risk of injury (1); • productivity gains (1), working whilst training means employees are not taking time out from work (1) this could increase profit (1); • retaining staff (1); • save on costs (1). <p>Eg Save on costs (1) SBS do not need to hire an expert from outside (1) who would charge for the service they provide (1).</p>

Question Number	Expected Answer
<p>(c)</p> <p>Evaluate the extent to which good working conditions are important to SBS.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [4 marks]</p> <p>AO4[5 marks]</p> <p>Levels [15 marks]</p>	<p><i>Use levels of response criteria.</i></p> <p>Level 1 Candidate identifies issue(s) relating to working conditions with no context [1-3 marks]</p> <p>Level 2 Candidate applies knowledge and understanding of the good working conditions within SBS [4-6 marks]</p> <p>Level 3 Candidate analyses why good working conditions are important to SBS [7-10 marks]</p> <p>Level 4 Candidate evaluates the extent to which good working conditions are important to SBS [11-15 marks]</p> <p>Issues include:</p> <ul style="list-style-type: none"> • Safety • Motivation • Motivators • Productivity • Cost • Ability to meet deadlines • Reputation • Profit <p>Eg Good working conditions are important for any business. (L1). In this case if the employees of SBS do not feel the working conditions are good, they may want to leave (L2). If workers leave this could disrupt SBS's production (L3). As deadlines are tight it is vital that employees are present in order that orders can be met in time (L3). Failure to do so will lead to extra costs being incurred due to late payments being made (L3) and the tight profits may become losses leading to business failure (L4).</p> <p>E.g. Good working conditions can save on costs (L1). Given that SBS has many employees, if they feel that SBS's working conditions are good they may feel safe in their job (L2). This may then have an affect upon their motivation and therefore they may become more productive (L3). However, despite this some workers may want more than to feel safe e.g. more pay and promotion, and therefore may not work as hard as they could (L3). Overall it depends upon how workers are motivated. If they are more concerned about pay in the long term this could be more important than good working conditions (L4).</p>

Question Number	Expected Answer
<p>4 (a)</p> <p>Identify the FIVE stages of a risk assessment.</p> <p>AO1 [5 marks]</p>	<p>Stage 1 – look for/identify hazards/risk (1); Stage 2 – decide who might be harmed and how (1); Stage 3 – evaluate the risks (1); Stage 4 – record findings/make recommendations (1); Stage 5 – review the assessment procedures/ revise as and when necessary (1).</p> <p>E.g. identify hazards (1).</p>
<p>(b)</p> <p>As a result of Sam’s accident, there is a threat that production might have to stop for 48 hours.</p> <p>Explain TWO ways in which a contingency plan would help SBS in this situation.</p> <p>AO1 [2 marks]</p> <p>AO2 [4 marks]</p>	<p><i>One mark for each correct identification, up to a maximum of two identifications, plus up to a further two marks for each of two explanations.</i></p> <ul style="list-style-type: none"> • hazards are actively sought (1) training for employees provided once risks are identified (1) so employees know where the hazards are to avoid them (1); • outline courses of action which SBS could take (1) such as switching production line (1) in order to ensure that orders can be met (1); • a contingency would pre-empt the need for a flexible workforce (1). Workers would have therefore been trained in different skills (1) which would allow them to work in other areas of the business (1); • temporary staff availability (1); • provides a focus for action (1); • reaction time is faster (1). <p>E.g. It would show the need for a flexible workforce (1) employees would have been trained (1) meaning they could work elsewhere in the business (1).</p>

Question Number	Expected Answer
<p>(c)</p> <p>Evaluate the extent to which carrying out a risk assessment would have been useful in helping avoid Sam's accident.</p> <p>AO1 [3 marks]</p> <p>AO2 [3 marks]</p> <p>AO3 [4 marks]</p> <p>AO4 [5 marks]</p> <p>Levels [15 marks]</p>	<p><i>Use levels of response criteria.</i></p> <p>Level 1 Candidate identifies issue(s) relating to risk assessment [1-3 marks]</p> <p>Level 2 Candidate applies knowledge and understanding of risk assessment to Sam's accident [4-6 marks]</p> <p>Level 3 Candidate analyses how carrying out risk assessment would have been useful in helping avoid Sam's accident [7-10 marks]</p> <p>Level 4 Candidate evaluates the extent to which carrying out risk assessment would have been useful in helping avoid Sam's accident [11-15 marks]</p> <p>Issues include:</p> <ul style="list-style-type: none"> • Delay of implementation of risk assessment • Financial implications of implementation • Provision of safety equipment • Warning signs • Behaviour of employees • Training <p>E.g. A risk assessment is an activity carried out in order to identify risks in the workplace (L1). Having identified a risk, such as falling off the stairs corrective action can be sought (L2). This could lead to safety measure being put in place to reduce the risk, such as the instillation of a hand rail (L3). However a risk assessment is only useful if the issues it highlights are implemented and therefore Sam's could still have happened (L4).</p> <p>E.g. A risk assessment helps to identify risks in a workplace (L1). It would have highlighted the stairs as a potentially dangerous area and a need for action (L2). This would have lead to the management putting in the correct handrail so that the area was safer (L3). Furthermore signs could have been put up to remind Sam of the dangers he faced so as to avoid them (L3). However, the risk assessment would not have eliminated the risk of Sam's accident as he could have chosen to ignore the signs altogether (L4). In addition the management may have delayed their response to the issues highlighted in the risk assessment, hence Sam's accident was more likely to have occurred (L4). In conclusion a risk assessment is only as good as the staff who take heed of it (L4).</p>

Grade Thresholds

Applied GCE (Applied Business) (H026/H226/H426/H626)
June 2009 Examination Series

Coursework Unit Threshold Marks

Unit		Maximum Mark	A	B	C	D	E	U
F240	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F241	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F244	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F245	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F246	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F247	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F249	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F250	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F251	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F252	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F253	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F254	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F255	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0

Examined Unit Threshold Marks

Unit		Maximum Mark	A	B	C	D	E	U
F242	Raw	100	81	72	63	55	47	0
	UMS	100	80	70	60	50	40	0
F243	Raw	100	80	72	64	56	48	0
	UMS	100	80	70	60	50	40	0
F248	Raw	100	79	71	63	55	47	0
	UMS	100	80	70	60	50	40	0
F256	Raw	100	77	68	60	52	44	0
	UMS	100	80	70	60	50	40	0
F257	Raw	100	78	73	68	63	58	0
	UMS	100	80	70	60	50	40	0

Specification Aggregation Results

Uniform marks correspond to overall grades as follows.

Advanced Subsidiary GCE (H026):

Overall Grade	A	B	C	D	E
UMS (max 300)	240	210	180	150	120

Advanced Subsidiary GCE (Double Award) (H226):

Overall Grade	AA	AB	BB	BC	CC	CD	DD	DE	EE
UMS (max 600)	480	450	420	390	360	330	300	270	240

Advanced GCE (H426):

Overall Grade	A	B	C	D	E
UMS (max 600)	480	420	360	300	240

Advanced GCE (Double Award) (H626):

Overall Grade	AA	AB	BB	BC	CC	CD	DD	DE	EE
UMS (max 1200)	960	900	840	780	720	660	600	540	480

Cumulative Percentage in Grade

Advanced Subsidiary GCE (H026):

2443 candidates were entered for aggregation this series

A	B	C	D	E
3.68	16.89	39.10	65.12	84.83

Advanced Subsidiary GCE (Double Award) (H226):

421 candidates were entered for aggregation this series

AA	AB	BB	BC	CC	CD	DD	DE	EE
1.97	4.79	11.83	20.28	30.99	42.54	52.96	65.35	78.87

Advanced GCE (H426):

1871 candidates were entered for aggregation this series

A	B	C	D	E
4.87	21.89	46.09	73.45	91.74

Advanced GCE (Double Award) (H626):

437 candidates were entered for aggregation this series

AA	AB	BB	BC	CC	CD	DD	DE	EE
1.46	6.31	14.81	26.70	39.81	54.37	68.45	81.55	91.75

For a description of how UMS marks are calculated see:

http://www.ocr.org.uk/learners/ums_results.html

Statistics are correct at the time of publication.

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