



GCE MARKING SCHEME

**APPLIED BUSINESS
AS/Advanced**

JANUARY 2012

INTRODUCTION

The marking schemes which follow were those used by WJEC for the January 2012 examination in GCE APPLIED BUSINESS. They were finalised after detailed discussion at examiners' conferences by all the examiners involved in the assessment. The conferences were held shortly after the papers were taken so that reference could be made to the full range of candidates' responses, with photocopied scripts forming the basis of discussion. The aim of the conferences was to ensure that the marking schemes were interpreted and applied in the same way by all examiners.

It is hoped that this information will be of assistance to centres but it is recognised at the same time that, without the benefit of participation in the examiners' conferences, teachers may have different views on certain matters of detail or interpretation.

WJEC regrets that it cannot enter into any discussion or correspondence about these marking schemes.

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ABUS 1 MARK SCHEME

SECTION A

Q	Answer	Mark	AO	Topic
1	C	1 mark	AO1	1.2.1
2	D	1 mark	AO1	1.1.2
3	B	1 mark	AO1	1.5.1
4	A	1 mark	AO1	1.4.1
5	Partner = setting up new teams Accounts clerk = calculating tax liability Administration clerk = employee records	1 mark	AO1	1.3.1
6	Any appropriate: e.g. <ul style="list-style-type: none">• by calculating increase in sales/clients• by reviewing P&L account/income statement• by checking his personal share of the profits	1 mark	AO1	1.2.2
7a	Any two appropriate: e.g. <ul style="list-style-type: none">• Marketing section• Financial section• History of CBS	2 x 1	AO1	1.2.5

2 marks

Q	Answer	Mark	AO	Topic
7b	Any two appropriate reasons: e.g. <ul style="list-style-type: none"> • (Marketing section) so the lender can assess the possible growth • (Financial section) so the lender can review the current financial position 	2 x 1 reason	AO1	1.2.5
2 marks				
8	Any two benefits to CBS: e.g. <ul style="list-style-type: none"> • Specialise (1) – increases output (1) • Motivational (1) – more efficient (1) • Clients know who to contact (1) – means improved service/better communication (1) <p>(Benefits must be to the business not the employees)</p>	1 statement 1 development (1 + 1) x 2	AO1	1.3.2
4 marks				
9	Any relevant business uses: e.g. <p><u>CBS website</u></p> <ul style="list-style-type: none"> • To promote services • To communicate with clients <p><u>Database</u></p> <ul style="list-style-type: none"> • To keep employee records • To keep client details <p><u>DTP software</u></p> <ul style="list-style-type: none"> • To create leaflets promoting the business • To create banners used in other materials/in letters 	2 x 1 2 x 1 2 x 1	AO1	1.1.1
6 marks				

Q	Answer	Mark	AO	Topic
4a	Any two relevant: e.g. <ul style="list-style-type: none"> • willing to take business risks • self-confident • motivated/self-motivated • ability to inspire • able to work with/create teams • vision • time management 	2 x 1	AO1	1.1.1
		2 marks		
4b	Reason(s): any combination e.g. <ul style="list-style-type: none"> • one fully developed • one stated plus one with development • four statements 	4 x 1	AO4	1.1.1
		4 marks		
5a	Meaning: e.g. <ul style="list-style-type: none"> • A group made up of employees (1) – who discuss/solve work issues (1) 	2 x 1	AO1	1.4.2
		2 marks		
5b	Any benefit(s): e.g. <ul style="list-style-type: none"> • enriches work life (1) – less absence/enjoy work more (1) – morale improved (1) • learn from others (1) – know more about the business (1) – improves attitude (1) <p>(Benefits must be to employees rather than to CBS)</p>	3 x 1	AO1	1.4.2
		3 marks		

Q	Answer	Mark	AO	Topic
6	<u>Health and safety: e.g.</u> <ul style="list-style-type: none"> • need to obey HASAWA (1) – must provide safe working practices (1) – and safe equipment (1) - employees must act in a safe manner (1) • Example (1) 	4 x 1	AO1	1.6.2
	<u>Need for confidentiality: e.g.</u> <ul style="list-style-type: none"> • need to keep clients' financial affairs confidential (1) – control access (1) – set up computer passwords (1) – buy lockable filing cabinets (1) • Example (1) 	1	AO2	
		4 x 1	AO1	
		1	AO2	
		10 marks		
7	<p>Work is concentrated in the five months (1)</p> <p>Overtime increases and must be paid for (1)</p> <p>The above help to create cash deficits (1)</p> <p>Most payments received in a similar 5 month period (1)</p> <p>Lower salary costs February to June/employees take unpaid leave (1)</p> <p>The above help to create cash surpluses (1)</p>	6 x 1	AO3	1.5.3
		6 marks		

Q	Answer	Mark	AO	Topic
8	Upward/rising trend/increases by about £1000 a year (may be implied)	1	AO2	1.5.3

Course of action: e.g.

- consider investing surplus cash
- review existing investment

1 AO2

Benefits/drawbacks: e.g. (investing surplus)

- gains interest **(1)** – increases profits **(1)** – reduces cash on premises **(1)** – but cash may be tied up if needed immediately **(1)** – and risk of losing if investment fails **(1)**

5 x 1 AO1

7 marks

9	See below	12 marks	AO2	1.5.3
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(1) all row labels	January	February	March	
Receipts:				(1) layout
Client fee income	12 600	39 220	70 680	(1) all
Other receipts	500	500	500	(1) all
Total inflows	13 100	39 720	71 180	(1) all
Payments:				
Salaries	32 800	27 650	26 800	(1) all
Overtime	12 500			(1)
Rent and rates	3 875	3 875	3 875	(1) all
Other costs	5 000	4 500	4 500	(1) all
Total outflows	54 175	36 025	35 175	(1) all
Net cash flow	(41 075)	3 695	36 005	(1) all (OF)
Opening balance	39 865	(1 210)	2 485	
Closing balance	(1 210)	2 485	38 490	(1) March no OF

Q	Answer	Mark	AO	Topic
10	<p><u>Importance of liquidity:</u> e.g.</p> <ul style="list-style-type: none"> businesses need cash to trade (1) – liquidity indicates how easily the business can turn its assets into cash (1) – if insufficient the business may be forced to stop trading (1) 	3 x 1	AO1	1.5.2 1.5.4
	<p><u>Importance of profitability:</u> e.g.</p> <ul style="list-style-type: none"> profitability shows the amount of profit made when measured against something else (1) – e.g. profit measured against sales or capital employed (1) – so entrepreneurs can judge whether it is worth staying in business (1) 	3 x 1		
	<p><u>Reasons why businesses set budgets:</u> e.g.</p> <ul style="list-style-type: none"> budgets help a business plan ahead financially (1) - and by setting budgets cash and other budgeted items can be controlled (1) – involving employees in setting budgets can motivate them (1) 	3 x 1		
				9 marks
11	<p><u>Break-even</u></p> <p>58 clients (award 1 mark for correct method):</p> <p>£31 900 / (£675 - £125)</p> <p><u>Profit/loss</u></p> <p>£79 200 (1) or £79 200 profit (2)</p> <p>(1 mark for monthly figure of £6 600 profit)</p>	2	AO2	1.5.1
		2		4 marks

Levels of response and QWC for Q10

Level 3 7 - 9 marks

Candidates will have demonstrated a thorough knowledge of all three terms.

Candidates will have made accurate and appropriate use of business terminology showing knowledge and understanding of its meaning. The quality of written communication will be very good with few, if any, errors of spelling, punctuation or grammar.

Level 2 4 - 6 marks

Candidates will have demonstrated a good knowledge of at least two of the three terms.

Candidates will have made use of appropriate business terminology showing some knowledge and understanding of its meaning. The quality of written communication will be, for the most part good, with some errors in spelling, punctuation and grammar.

Level 1 1 - 3 marks

Candidates will have demonstrated some knowledge of at least one of the terms.

Candidates will have made very limited use of business terminology. The quality of written communication will be very limited with numerous errors on spelling, punctuation and grammar.

Candidates demonstrating no understanding will be awarded 0 marks.

Q	Answer	Mark	AO	Topic
12	<u>Calculations</u> New contribution is £450 (1) – new breakeven point is £31900/£450 (1) – is 71 clients (accept 70 clients) (1) <u>Analysis:</u> e.g. No profit/a slight loss if there are still 70 clients a month (1) – number could rise if fees are less (1) – less likely to leave and go to competitor (1)	3 x 1	AO2	1.5.1
	<u>Assessment:</u> e.g. <ul style="list-style-type: none"> • The competitor may also lower prices (1) - leading to a price war/losses by both (1) • CBS may seek to reduce costs to retain existing profit margins (1) – evidence that staff salaries are the main cost (1) – may mean fewer staff (1) – increased workload for those who remain (1) • CBS will need to promote the new fees (1) –increased costs of promotion may be greater than increase in custom (1) 	3 x 1	AO3	
		6 x 1	AO4	

12 marks

Levels of response and QWC for Q12

Level 3 9 - 12 marks

Candidates will have demonstrated a thorough assessment of the issues.

Candidates will have made accurate and appropriate use of business terminology showing knowledge and understanding of its meaning. The quality of written communication will be very good with few, if any, errors of spelling, punctuation or grammar.

Level 2 5 - 8 marks

Candidates will have demonstrated a good analysis of the issues, supported by limited assessment.

Candidates will have made use of appropriate business terminology showing some knowledge and understanding of its meaning. The quality of written communication will be, for the most part good, with some errors in spelling, punctuation and grammar.

Level 1 1 - 4 marks

Candidates will have demonstrated some knowledge of the issues, though there will be little assessment.

Candidates will have made very limited use of business terminology. The quality of written communication will be very limited with numerous errors on spelling, punctuation and grammar.

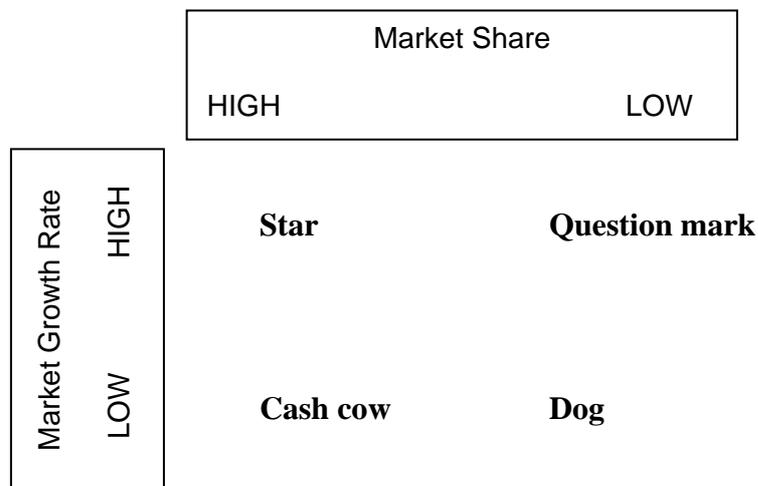
Candidates demonstrating no understanding will be awarded 0 marks.

ABUS5 MARK SCHEME

PAPER A

Decision making and the Marketing function

Q	Answer	Mark	AO	Topic
1	See below	2 all correct (1 any two correct) 2 marks	AO1	5.1.4



2	<p><u>Star</u>: High share/high growth (1) – generates income/encourages investment (1)</p> <p><u>Cash cow</u>: High market share/low growth (1) – generate more cash than they absorb/low investment is needed (1)</p> <p><u>Question mark</u>: High growth/low market share (1) – means high demand but low returns/they consume resources for a limited return (1)</p> <p><u>Dog</u>: Low growth/high market share (1) – poor situation/absorb rather than generate cash/may need to end product or service (1)</p>	<p>1 simple description</p> <p>1 development</p> <p>(1 + 1) x 4</p>	AO1	5.1.4
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8 marks

Q	Answer	Mark	AO	Topic
3	<p><u>Analysis:</u> e.g.</p> <ul style="list-style-type: none"> • can place market for leisure in one of the four sections (1) – which shows profitability and cash flows (1) • good indicator of the market's strength (1) • encourages management to define (leisure market's) market share/growth rate (1) • low share/niche businesses can be profitable (1) 	4 x 1 analysis	AO3	5.1.4
	<p><u>Evaluation:</u> e.g.</p> <ul style="list-style-type: none"> • can be difficult to define market share/growth rate (1) – and even a high market share does not necessarily mean profitability (1) - it is not the only way to judge success (1) • implies profitability (1) – does not guarantee it (1) • the model does not show overall market growth rate (1) – and market growth is not the only positive feature of a market (1) 	6 x 1 evaluation	AO4	
		10 marks		
4	<p>Falling/decreasing/negative trend (1) – which is quickening/which doubles every year (1)</p> <p><u>Figures:</u> e.g.</p> <ul style="list-style-type: none"> • initially 0.1 drop (1) • a 1.6% fall in last set of figures (1) • the fall is doubling every year (1) – from 0.1 to 1.6 (1) 	2 x 1 trend	AO2	5.1.1
		2 x 1 use of figures		
		4 marks		

Q	Answer	Mark	AO	Topic
5	<p><u>Market segmentation</u>: e.g.</p> <ul style="list-style-type: none"> analyses individual groups in the market (1) – such as by age/sex/income (1) – allows <i>NAM plc</i> to target relevant groups for this promotion (1) – can see whether the promotion is relevant to each group (1) <p><u>The Delphi technique</u>: e.g.</p> <ul style="list-style-type: none"> based on forecasts from a group of experts (1) – who should provide accurate predictions (1) – by reaching consensus (1) – provides qualitative opinion to support any quantitative figures (1) <p><u>Sampling</u>: e.g.</p> <ul style="list-style-type: none"> costly/impossible to obtain information from every likely Guest (1) – so need to identify appropriate subgroup to control costs (1) – sampling methods establish relevant size/people to target for this promotion (1) – information gained is typical of the relevant population (1) 	<p>4 x 1</p> <p>4 x 1</p> <p>4 x 1</p>	AO2	5.1.2
		12 marks		
6	<ul style="list-style-type: none"> Random (1) – because every item has an equal chance of being included (1) – so completely random (1) – but costly/a sampling frame is needed (1) Stratified (1) – divide into groups (1) – so a representative sample (1) – and still random/but costly (1) Cluster (1) – a definable subsection reflects the whole population (1) – cheap and easy to administer (1) – no sampling frame needed (1) <p>(Accept any method with reasons)</p>	<p>1 name</p> <p>3 x 1 reasons analysed</p>	AO3	5.1.2
		4 marks		

PAPER A

Levels of response and QWC for Q5

Level 3 9 - 12 marks

Candidates will have demonstrated a thorough knowledge of the marketing features. There will be clear explanation of each.

Candidates will have made accurate and appropriate use of business terminology showing knowledge and understanding of its meaning. The quality of written communication will be very good with few, if any, errors of spelling, punctuation or grammar.

Level 2 5 – 8 marks

Candidates will have demonstrated a good knowledge of the marketing features. There will be sound explanation of at least two features.

Candidates will have made use of appropriate business terminology showing some knowledge and understanding of its meaning. The quality of written communication will be, for the most part good, with some errors in spelling, punctuation and grammar.

Level 1 1 - 4 marks

Candidates will have demonstrated some knowledge of the marketing features. There will be description rather than explanation.

Candidates will have made very limited use of business terminology. The quality of written communication will be very limited with numerous errors on spelling, punctuation and grammar.

Candidates demonstrating no understanding will be awarded 0 marks.

PAPER B

Decision making and the Production function

Q	Answer	Mark	AO	Topic
1a	<u>New Capsule Hotel premises</u> Job (1) - because it is a one-off (1) – built to individual plans/requirements (1)	1 name 2 x 1 application	AO1 AO2	5.2.1
		3 marks		
1b	<u>The capsule rooms:</u> e.g. <ul style="list-style-type: none"> • Batch (1) – because a certain number made (1) – of identical type (1) • Flow/mass (1) – because many will be made (1) - not only for <i>NAM plc</i> (1) 	1 name 2 x 1 application	AO1 AO2	5.2.1
		3 marks		
1c	<u>The lockers:</u> e.g. <ul style="list-style-type: none"> • Batch (1) – because a certain number made (1) – of identical type (1) • Flow/mass (1) – because many will be made (1) - not only for <i>NAM plc</i> (1) 	1 name 2 x 1 application	AO1 AO2	5.2.1
		3 marks		
1d	<u>Café meals:</u> e.g. <ul style="list-style-type: none"> • Job (1) - because they are cooked individually (1) – to Guests’ requirements (1) • Batch (1) – because a certain number of meals will be made (1) – at any one time (1) 	1 name 2 x 1 application	AO1 AO2	5.2.1
		3 marks		

Q	Answer	Mark	AO	Topic
2	See below	See below	AO2	5.2.3

8 marks

Receipts			Issues			Balance			
Qty	£ unit	£ total	Qty	£ unit	£ total	Qty	£ unit	£ total	
						12	30.50	366	
			3	30.50	91.50	9	30.50	274.50	(1) + (1)
6	30.83	184.98				15	30.63	459.48	(1) + (1)
6	30.84	185.04				21	30.69	644.52	(1) + (1)
			4	30.69	122.76	17	30.69	521.76	(1) + (1)

3 Suitable: e.g. 3 x 1 suitable AO3 5.2.3

- prevents over-stocking and deterioration (food has a limited 'shelf life') (1)
- minimises holding costs of the food (may be bulky) (1)
- reduces capital tied up in food stock (1)

Unsuitable: e.g. 3 x 1 unsuitable AO3

- risks associated with the supply chain (1)
- no buffer stocks so a disruption in supplies means no stock (1)
- Guest/customer dissatisfaction (1)

Conclusion: e.g. 2 x 1 conclusion AO4

- improves efficiency and competitiveness (1)
- but risks losing Guests/customers (1)

Q	Answer	Mark	AO	Topic
4a	<u>Human Resources</u> : e.g.			5.2.4
	<ul style="list-style-type: none"> • need training (1) – employees need specific training for the new environment (1) – may need to train the trainers/hire specialist trainers (1) • need recruitment (1) – new staff likely to be needed (1) – sources? (1) – which recruitment procedures? (1) 	3 x 1 knowledge 1 analysis of impact 2 assessment of impact	AO1 AO3 AO4	
		6 marks		
4b	<u>Marketing</u> : e.g.			5.2.4
	<ul style="list-style-type: none"> • need research (1) – primary and/or secondary (1) – analyse results (1) – target price (1) • need promotion (1) – type of promotion? (1) – frequency/cost? (1) 	3 x 1 knowledge 1 analysis of impact 2 assessment of impact	AO1 AO3 AO4	
		6 marks		

PAPER B

Levels of response and QWC for Q4

Level 3 9 - 12 marks

Candidates will have demonstrated a thorough knowledge of the likely impact on the business functions. There will be clear explanation supported by analysis and assessment of the impacts.

Candidates will have made accurate and appropriate use of business terminology showing knowledge and understanding of its meaning. The quality of written communication will be very good with few, if any, errors of spelling, punctuation or grammar.

Level 2 5 – 8 marks

Candidates will have demonstrated a good knowledge of the likely impact on the business functions. There will be sound explanation supported by some analysis and assessment of the impacts.

Candidates will have made use of appropriate business terminology showing some knowledge and understanding of its meaning. The quality of written communication will be, for the most part good, with some errors in spelling, punctuation and grammar.

Level 1 1 - 4 marks

Candidates will have demonstrated some knowledge of the likely impact on the business functions. There will be description rather than explanation, and little or no analysis or assessment.

Candidates will have made very limited use of business terminology. The quality of written communication will be very limited with numerous errors on spelling, punctuation and grammar.

Candidates demonstrating no understanding will be awarded 0 marks.

PAPER C

Decision making and the Finance function

Q	Answer	Mark	AO	Topic
1	GP margin 14% (178 850 / 1 277 500)	2 (1 for method)	AO2	5.3.2
	NP margin 4.4% (56 210 / 1 277 500)	2 (1 for method)		
	ROCE: either	2		
	<ul style="list-style-type: none">• 8% (including loans)• 12.5% (based on Equity only)	(1 for method)		
		6 marks		
2	<u>Cost of sales:</u> e.g. <ul style="list-style-type: none">• what actual sales made (1) – have cost the business at cost price (1)• equivalent purchase cost of sales made (1) – after adjusting inventory/stock (1)	2 x 1	AO1	5.3.1
	<u>Finance costs:</u> e.g. <ul style="list-style-type: none">• cost of borrowing (1) – such as loan interest (1)• expense item of borrowing (1) – shown in P&L account/income statement	2 x 1		
	<u>Trade payables:</u> e.g. <ul style="list-style-type: none">• money owed (1) – to suppliers (1)• short term debts (1) – shown in the Balance Sheet (1)	2 x 1		
		6 marks		

Q	Answer	Mark	AO	Topic
3	<u>Going Concern</u> : e.g. the business/ <i>NAM plc</i> is assumed to operate for the foreseeable future (1) – and will not cease trading/no intention to liquidate (1) (Example) The assets of <i>NAM plc</i> are not valued at resale value (1) – but at their original cost (1)	2 x 1 meaning 2 x 1 example	AO1 AO2	5.3.1
	<u>Prudence</u> : e.g. the business/ <i>NAM plc</i> does not overstate income (1) – but anticipates loss (1) (Example) <i>NAM plc</i> 's stocks are valued at their lowest price/cost price (1) – rather than at their higher market price (1)	2 x 1 meaning 2 x 1 example	AO1 AO2	

8 marks

4	See below	See below	AO2	5.3.4
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6 marks

	Café £	Bar £	Restaurant £	Total £	
Sales	7 500	10 500	15 000	33 000	
Fixed costs	5 080	1 270	7 620	13 970	(1) + (1) + (1)
Variable costs	3 000	4 200	4 500	11 700	(1) all three
Profit / (Loss)	(580)	5 030	2 880	7 330	

(1) for all three profits/loss (OF)

(1) total profit

Q	Answer	Mark	AO	Topic
5	<p><u>Inclusion of figures calculated:</u> e.g.</p> <ul style="list-style-type: none"> • café shows loss of £580 (1) • bar and restaurant profits are £7 910 (1) • overall profit £7 330 (1) <p>(All OF)</p>	2 x 1 use	AO2	5.3.4
	<p><u>Judgement:</u> e.g.</p> <ul style="list-style-type: none"> • shows a healthy overall profit (1) • does not account for individual contributions (1) – café contributes £4500 to total fixed costs (1) – therefore it makes a positive contribution (1) • may not be the most appropriate way to apportion the fixed costs (1) – e.g. floor area may be more appropriate (1) – which would change the profits made by each location (1) • (Conclusion) limited information only (1) 	6 x 1 judgement	AO4	
		8 marks		
6	<p><u>Factors:</u> e.g.</p> <ul style="list-style-type: none"> • Customer satisfaction/service (1) – need to provide variety/good service for Guests (1) – would suggest continuing to operate the café (1) • Competition (1) – evidence that <i>NAM plc</i> is in a competitive market (1) – keeping the café open enables <i>NAM plc</i> to compete on grounds of service (1) 	2 x 1 factor	AO3	5.3.4
		4 x 1 analysis	AO3	
		6 marks		

PAPER C

Levels of response and QWC for Q5

Level 3 6 - 8 marks

Candidates will have demonstrated a thorough knowledge of the situation. There will be clear explanation and assessment of the situation, supported by numerical examples.

Candidates will have made accurate and appropriate use of business terminology showing knowledge and understanding of its meaning. The quality of written communication will be very good with few, if any, errors of spelling, punctuation or grammar.

Level 2 3 - 5 marks

Candidates will have demonstrated a good knowledge of the situation. There will be sound explanation and some assessment, together with the use of some figures.

Candidates will have made use of appropriate business terminology showing some knowledge and understanding of its meaning. The quality of written communication will be, for the most part good, with some errors in spelling, punctuation and grammar.

Level 1 1 - 2 marks

Candidates will have demonstrated some knowledge of the situation. There will be description rather than explanation and assessment, with no or limited use of figures.

Candidates will have made very limited use of business terminology. The quality of written communication will be very limited with numerous errors on spelling, punctuation and grammar.

Candidates demonstrating no understanding will be awarded 0 marks.

PAPER D

Other decision-making tools

Q	Answer	Mark	AO	Topic
1	<p><u>Price index:</u> Measures the change in prices (1) – over a time period (1)</p> <p>2006 = 100: e.g.</p> <ul style="list-style-type: none"> • 2006 is the base year (1) – which has a value of 100 (1) • Other years' values are calculated (1) – against 2006 (1) • Other years are compared against 2006 (1) – by comparing their figures against the 100 (1) 	<p>1 simple statement</p> <p>1 development</p> <p>1 simple statement</p> <p>1 development</p> <p style="text-align: center;">4 marks</p>	AO1	5.4.2
2	<p>Greater increase in prices (1) – because the Restaurant index is higher than the Overall index (1)</p> <p>Continuing higher prices (1) – because the Restaurant index is increasing more quickly than the Overall index (1)</p>	<p>2 x 1 increase</p> <p>2 x 1 detailed comparison</p> <p style="text-align: center;">4 marks</p>	AO2	5.4.2

Q	Answer	Mark	AO	Topic
3	See below	See below	AO2	5.4.2

4 marks

Year	Room prices (£)	Index	Restaurant meal prices (£)	Index
2006	60.00	100	12.00	100
2007	61.20	102.0	12.53	104.4
2008	62.10	103.5	13.02	108.5
2009	61.92	103.2	13.54	112.8
2010	62.16	103.6	14.16	118.0

(2) if all correct
[(1) for any two]

(2) if all correct
[(1) for any two]

4	<u>Value</u> : e.g.	4 x 1 value	AO3	5.4.2
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- The table shows a gradual increase in room prices (1) – and a much faster increase in restaurant prices (1) **OF**
- It suggests room prices are now stable/have been stable for 4 years (1) – whereas restaurant prices continue to increase every year/increase by over 4% a year/by about 50p a year (1)

Limitations: e.g.

4 x 1 limitations AO4

- But imprecise because average figures only (1) – the ‘mix’ of rooms occupied/meals sold could vary from year to year (1)
- Dated (1) - only up to 2010 (1)
- Prices will vary in different regions (1) – because incomes vary/competition varies (1)

8 marks

PAPER D

Levels of response and QWC for Q4

Level 3 6 - 8 marks

Candidates will have demonstrated a thorough knowledge of the situation, supported by detailed analysis and assessment.

Candidates will have made accurate and appropriate use of business terminology showing knowledge and understanding of its meaning. The quality of written communication will be very good with few, if any, errors of spelling, punctuation or grammar.

Level 2 3 - 5 marks

Candidates will have demonstrated a good knowledge of the situation. There will be sound analysis and some assessment.

Candidates will have made use of appropriate business terminology showing some knowledge and understanding of its meaning. The quality of written communication will be, for the most part good, with some errors in spelling, punctuation and grammar.

Level 1 1 - 2 marks

Candidates will have demonstrated some knowledge of the situation, though analysis and assessment will be limited.

Candidates will have made very limited use of business terminology. The quality of written communication will be very limited with numerous errors on spelling, punctuation and grammar.

Candidates demonstrating no understanding will be awarded 0 marks.

Q	Answer	Mark	AO	Topic
5	<u>Network diagram</u> Visual display (1) – of the activities/critical path (1)	1 simple statement	AO1	5.4.4
	<u>EST</u> The earliest date/point at which (1) – an activity can start (1)	1 development (1 + 1) x 3		
	<u>LFT</u> The latest date/point by which an activity must be completed (1) – to avoid delaying the whole project (1)			
		6 marks		
6a	A, B, E, F, G (1) 23 days (1)	2 x 1	AO2	5.4.4
		2 marks		
6b	3 (1) – days (1) Activity C creates 2 days (1) – and D creates 1 day (1)	2 x 1 2 x 1	AO2	5.4.4

Q	Answer	Mark	AO	Topic
7	<p><u>Application:</u> e.g.</p> <ul style="list-style-type: none"> CPA is used where deadlines are set (1) – it suggests this 30-day deadline can be met (1) 	2 x 1 application	AO2	5.4.4
	<p><u>Analysis:</u> e.g.</p> <ul style="list-style-type: none"> workers can concentrate on resource control/completing the critical path activities (1) – and know where there is 3 days' float available (1) – so maximises efficiency in the use of time (1) identifies problem areas/key activities (1) – e.g. B and E (1) – so manager can monitor/control (1) 	4 x 1 analysis	AO3	
	<p><u>Assessment:</u> e.g.</p> <ul style="list-style-type: none"> these figures may be inaccurate anyway since this is a one-off project (1) <i>NAM plc</i> might have other projects where CPA may be unsuitable (1) - e.g. non-building projects (1) judgement that CPA by itself does not guarantee these dates will be met (1) - or that this project/any project will be well managed (1) 	2 x 1 assessment		
		8 marks		



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