

Mark Scheme (Results)

Summer 2007

GCE

GCE Economics & Business Studies (Nuffield) (6365) Paper 1

MARK SCHEME 6365

OPTION 1

Question 1

Examine the potential effect of dumping by Vietnam and China on the UK shoe industry. (7)

Knowledge 2, application 3, analysis 2

Do not penalise candidates who include retailers in their examination of the impact of dumping on the shoe industry. This is acceptable and should be rewarded. The UK shoe industry has contracted sharply in recent years. Many firms have closed down or reduced the size of their workforce in order to survive. Dumping will simply exacerbate the problem faced by UK shoe manufacturers. Shoe retailers may benefit from cheap imports and may welcome the opportunity to cut prices to customers. A key factor will be design and product quality. If the product is poorly designed and of poor quality it may affect sales.

Level 3

At this level candidates should offer a clear explanation as to the potential impact of dumping on the shoe industry. Answers with sound development of at least two plausible effects plus sound explanations, offering some balance.

6 - 7 marks

Level 2

Answers which are reasonably developed, identifying two plausible impacts explained in a way which applies knowledge to the context, rather than the abstract should be rewarded in this mark range. Look for appropriate knowledge applied in context.

4 - 5 marks

Level 1

Answers should demonstrate some understanding of the impact of dumping on the UK shoe industry. Look for valid points with little development or a single point handled well. Candidates should demonstrate some application of appropriate knowledge.

1 - 3 marks

Question 2

Assess the implications of China's comparative cost advantage in manufactures on economic growth. (8)

Knowledge 2, application 2, analysis 3, evaluation 1

China's comparative cost advantage in manufactures is likely to have a positive impact on economic growth and investment flows. The cost advantage is going to make exports attractive and competitive. One constraint may be the use of quotas which may restrict China's exports.

This has already been seen in the recent dispute with the EU (Bra wars). Foreign companies and investors have already recognized the potential of China and have directed significant investment funds into China. This pattern is likely to continue in the long term.

The growth of exports is likely to have a positive impact on domestic demand and further increase aggregate demand and economic growth.

Level 4

Look for clarity on (at least) two plausible implications, with some convincing analytical development and an element of evaluation for full marks. Look for application of knowledge, supporting analysis and evaluation.

7 - 8 marks

Level 3

Reasoned argument that considers different plausible links such as between comparative cost advantage and economic growth and investment flows. This level may be differentiated from Level 4 by the failure to fully develop analysis of the relationship between comparative advantage and growth and investment. Answers may rely more on abstract knowledge rather than the use of appropriate examples. Alternatively answers may not fully address all parts of the question.

5 - 6 marks

Level 2

Some understanding of possible implications of comparative cost advantage on growth or investment flows. Answers may lack the precise application to the context needed to progress to Level 3. Answers may rely more on description than analysis.

3 - 4 marks

Level 1

A limited understanding of relevant subject matter is suggested - for example, some basic knowledge of comparative cost advantage, economic growth or investment.

Reward valid assertions.

1-2 marks

Question 3

Evaluate the likely effect of tariffs and other restrictions on trade for two stakeholders. (10)

Knowledge 2, application 2, analysis 2, evaluation 4

This question builds on the previous question. It is possible to identify a broad range of interest groups. Most candidates are likely to target firms and employees. Growth of trade is likely to see some employees gain jobs and benefit from improvements in pay, whilst others lose jobs. In the shoe industry, Dr. Martens amongst other shoe manufacturers found that it could not compete with cheap imports and eventually decided to close UK factories and switch production to China. Chinese workers gained from the decision whilst workers in the UK lost out.

In the case of manufacturing firms trading goods provides them with an opportunity to develop new markets and increase sales and profitability. Potential benefits also include sourcing lower price materials and finished goods as well as being able to exploit economies of scale more fully. Reward candidates who are able to apply economic and business concepts positively.

Level 4

Two well developed arguments, with analytical reasoning building to a balanced, evaluative conclusion as to the impact of trade on two distinct interest groups. Responses should consider the potential benefits and the adverse consequences for interest groups. Good responses may well note that there are winners and losers and draw on appropriate examples.

9 - 10 marks

Level 3

A reasoned argument that considers two relevant interest groups, plus an attempt at forming evaluative comment. Look for some analysis of the points made. Evaluation at this level may be limited. At this level candidates may for example comment on the potential downside for producers and exporters and the potential impact on importers and manufacturers.

6 - 8 marks

Level 2

Some understanding and examination of at least one relevant point. Possibly excessive enthusiasm and little real evaluation will be evident. Knowledge should be appropriate to the context.

4 - 5 marks

Level 1

A limited understanding of the subject matter is displayed, for example simple assertions may be offered.

1- 3 marks

Question 4

(a) Examine the externalities associated with the unsustainable use of resources such as timber. (10)

Knowledge 2, application 2, analysis 4, evaluation 2

The growth of illegal forestry gives rise to a number of externalities such as the loss of habitat for wildlife and a loss of bio diversity. Wider environmental issues such as soil erosion, desertification in some regions and global warming are also potential consequences.

Level 4

Candidates take points such as those above and develop them convincingly, considering the externalities associated with the growth of forestry.

Evaluation is needed to access Level 4.

9 - 10 marks

Level 3

There is some sound development of points. Knowledge of a range of externalities is evident with some development. Responses should demonstrate knowledge of the concept with appropriate application to the context. Evaluation may be developed or even present.

7 - 8 marks

Level 2

Valid points are raised rather than examined. The explanation of externalities is correct but the development is incomplete.

4 - 6 marks

Level 1

Some merit in unsupported assertions, demonstrating some business and economics knowledge. Generalised knowledge relevant to the question.

1 - 3 marks

(b) Evaluate the potential effects of ethical trading on host countries. (15)

Knowledge 3, application 2, analysis 3, evaluation 7

“Ethical trade” means different things to different people. Some people view “ethical trade” as an umbrella term for all types of business practices that promote more socially and/or environmentally responsible trade. Others use the term in a much narrower sense, referring specifically to the labour practices in a company’s supply chain. Accept all of the above as a legitimate focus for development.

This question requires candidates to apply knowledge of ethical trading. Ethical trading should bring benefits to host countries. However, ethical trade conditions are imposed rather than being locally determined and this can bring problems. One critical issue that shows up cultural differences is child labour. Many Westerners are offended by images of young children working in sweatshop conditions in factories producing everything from carpets to sports goods. For Westerners, child labour has become a touchstone issue for ethical behaviour. Most supermarkets for example, have codes of practice that, in theory at least, ban all child labour in fields or factories supplying them with produce. This policy ignores the reality that in much of the world it is quite normal for children to help out on the farm. Farmers in developing countries would argue that in order avoid child labour and enable families to put children through school it is necessary to pay fair prices and while firms may be happy to adopt ethical polices they may be unwilling to pay fair prices.

Level 4

Candidates develop relevant points, show some sophistication and reach convincing evaluative conclusions linked to their evidence. To achieve this level it is expected that candidates will identify appropriate analytical tools and will reflect upon the merits of employing ethical trading policies.

12-15 marks

Level 3

Relevant points are developed but without sophistication so that conclusions lack balance and/or evaluation is simpler. Appropriate issues may be identified but not fully explained. Attempts are made to evaluate.

8-11 marks

Level 2

Relevant points are made but not logically developed into analysis. Evaluation is lacking or weak. Knowledge of ethical trading policies is limited.

4-7 marks

Level 1

Some merit in unsupported assertions, demonstrating some business and economic knowledge.

1-3 marks

Question 5

(a) Examine the link between changing patterns of demand and commodity prices. (10)

Knowledge 2, application 2, analysis 4, evaluation 2

The demand for the produce of many developing countries dependent upon the production and sale of commodity products is dependent to a significant extent on the level of demand for manufactures in the West. Foodstuffs are less susceptible to fluctuation in demand. It is also fair to point out that commodity prices have been influenced by over supply and that this may be due to a number of factors not least the activities of the World bank and WTO. The best candidates should offer a balanced and critical examination which does not offer an automatic correlation.

Level 4

Candidates take points such as those above and develop them convincingly, considering the relationship between changing rates of economic activity in developed countries and commodity prices. Points should be developed logically and support an evaluative conclusion.

9-10 marks

Level 3

There is some sound development of points. Knowledge and application are demonstrated but the evaluation may be limited or not present.

7-8 marks

Level 2

Valid points are raised rather than examined. Possibly only one argument offered, or two poorly analysed/applied.

4-6 marks

Level 1

Some merit in unsupported assertions, demonstrating some business and economics knowledge. Generalised knowledge relevant to the question.

1-3 marks

(b) Evaluate two possible strategies that producers of commodity products might adopt in order to increase their incomes. (15)

Knowledge 3, application 2, analysis 3, evaluation 7

There are a number of possible strategies which producers might adopt in order to increase their incomes. One possibility may be for producers to add value to the products that they produce. Processing a product such as pineapples may help to raise producer incomes, providing they can find the capital needed to acquire the necessary equipment. Producers may face obstacles when trying to export their product. Developed countries may place tariffs on processed foods coming into their country. Producers may therefore be at a disadvantage.

Producers may also seek to form cartels in order to restrict the quantity supplied and raise prices. Attempts have been made to do this with a number of commodity products. Few have proved successful in the longer term. Critical to ensuring the long term success of this strategy is ensuring that the largest producers join the cartel.

Level 4

Candidates develop relevant points, show some sophistication and reach convincing evaluative conclusions linked to their argument. At least two strategies must be identified and examined. A sound evaluative conclusion is required at this level.

12-15 marks

Level 3

Two strategies are developed but without sophistication so that conclusions lack balance and/or evaluation is simpler. Appropriate toolkit should be employed.

8-11 marks

Level 2

Relevant points are made but not logically developed into analysis. Evaluation is lacking or weak. The suggested strategies may inappropriate or implausible.

4-7 marks

Level 1

Some merit in unsupported assertions, demonstrating some business and economic knowledge.

1-3 marks

OPTION 2

Question 6

Briefly explain why increased immigration may lead to lower inflation. (7)

Knowledge 3, application 2, analysis 2

Increased immigration will boost both the supply of, and quality of, the available workforce. This increases the productive capacity of the economy. This should reduce the effects of skills shortages and bottlenecks thus reducing inflationary pressure. There may be an AD/AS diagram showing the AS curve shifting to the right. Assuming AD stays constant equilibrium output will increase and the price level should fall.

Level 3

Clear and logical understanding demonstrating the link between increased immigration and lower inflation. Toolkit is used well and argument flows.

6 -7 marks

Level 2

Some understanding of the link between increased immigration and lower inflation. May lack the clarity of above and may not be as strong on toolkit.

3 -5 marks

Level 1

Some understanding of the link between increased immigration and lower inflation but little development, no toolkit.

1 - 2 marks

Question 7

Examine the links between interest rates and economic growth. (8)

Knowledge 1, application 3, analysis 3, evaluation 1

Ideally expect to see explanations centred on the changes to AD caused by changes in interest rates. For example a cut in rates may stimulate Consumption and Investment (lower cost for borrowing/investment and lower mortgage payments etc.). This increases the demand for goods and services, causing increases in production and hence output/growth. A raise in the rate of interest may work in the opposite way. There is an evaluative element here and responses may be qualified by considering the effectiveness of the transmission mechanism or the importance of other factors in determining the effect on growth e.g. expectations, exchange rates etc. It is also valid to note that it is the cumulative effect of interest rate changes that matters rather than monthly adjustments.

Level 4

Clear understanding of the issue. Answers are clear and make good use of terminology and toolkit. There must be an evaluative element to reach the top of this level.

7-8 marks

Level 3

Knowledge and application are evident and use of toolkit is reasonable. Perhaps less clear and may lack sophistication of L4 response.

5 - 6 marks

Level 2

Candidates are aware of the link but response fails to develop a clear analysis. Possibly phrased in general terms with poor use of toolkit.

3-4 marks

Level 1

Some understanding of the issues but little development, no toolkit.

1 -2 marks

Question 8

Assess the importance of a flexible labour force to a country's international competitiveness. (10)

Knowledge 2, application 2, analysis 3, evaluation 3

There are a number of routes open here. International competitiveness depends upon several factors such as costs/price and/or product differentiation in terms of quality, innovation, reliability etc. A flexible labour force has a key role in achieving these outcomes. Approaches may look at the skills and adaptability of the workforce itself or the conditions under which it is employed. The stimulus material looks at this angle. Good answers will suggest several ways in which this might be the case and explain how this might lead to an improvement in competitiveness. The Evaluative element might look at other factors affecting competitiveness and comment on the relative importance of a flexible labour force when balanced against, say, adverse changes in the exchange rate, new product development, new technologies etc.

Level 4

The link between a flexible labour force and international competitiveness is looked at from at least two angles. Answers are clear and make good use of terminology and toolkit. There is a supported and convincing evaluative conclusion.

9 - 10 marks

Level 3

Candidate makes a clear link but may lack the clarity of a L4 response. Knowledge and application are evident and use of toolkit is reasonable. Perhaps less clear and may lack balance. One approach may be better than the other(s). The evaluative element may be thin.

6 - 8 marks

Level 2

Some awareness of the link. There is some development, but possibly phrased in general terms and with poor use of toolkit. Possibly only one approach discussed. Evaluation is lacking.

4 - 5 marks

Level 1

Some understanding of the issues but little development, no toolkit.

1-3 marks

Question 9

(a) Examine the role of fiscal policy in reducing the poverty trap. (10)

Knowledge 2, application 2, analysis 3, evaluation 3

Candidates will need to understand the poverty trap and the way it works. The benefits of being out of work are little different to those to be gained by seeking employment. Fiscal policy has a major role to play here. Benefits can be reduced in order to make them less attractive. At the same time incentives such as reduced taxation rates on lower incomes or working family tax credits, can make returning to work more attractive.

There is an evaluative element, which could be covered by looking at those sections of the workforce for whom such policies are unlikely to be effective, perhaps due to occupational or geographical immobilities.

Level 4

The Poverty Trap is well understood and the links to fiscal policy clearly understood. Answers make good use of terminology and toolkit and have a logical flow to them. At this level there must be an evaluative element.

9 - 10 marks

Level 3

Good understanding knowledge and application are evident and use of toolkit is reasonable. Perhaps less clear and may lack balance. Evaluation is not needed at this level. The evaluative element may be thin.

7 - 8 marks

Level 2

Candidates are aware of the Poverty Trap and of fiscal policy but may not properly integrate the two. Answers will lack clarity and may have errors and assertions. Possibly phrased in general terms with poor use of toolkit.

4 - 6 marks

Level 1

Some understanding of the issues but little development, no toolkit.

1 - 3 marks

(b) Evaluate two strategies the government may use to reduce unemployment.
(15)

Knowledge 3 application 2, analysis 3, evaluation 7

Expect to see choices made from fiscal, monetary and supply-side policies. It is acceptable to discuss say, two different types of supply-side policy as long as they are clearly different. Better candidates may discuss the need to relate policy to the cause of the unemployment e.g. structural or demand-deficient. Candidates will need to explain how the policy works and its transmission mechanism (how it affects unemployment). Evaluation could consist of comments as to the efficacy of such policies, any side-effects, time-scale and the relative merits or otherwise.

Level 4

Two clear and balanced strategies are explored. They will have sound analysis, which will lead to a convincing evaluative conclusion. Answers are clear, and make good use of terminology and toolkit.

12 - 15 marks

Level 3

Two strategies discussed. Knowledge and application are evident and use of toolkit is reasonable. Answers may be less clear and may lack balance. Evaluation may be thin or unqualified.

8 - 11 marks

Level 2

Perhaps two strategies but they lack depth or development, evaluation may be poor or missing altogether, toolkit use may be limited. One strategy cannot get beyond this level.

4-7 marks

Level 1

Some understanding of the issues but little development, no toolkit.

1 - 3 marks

Question 10

(a) Examine possible sources of finance for a new business venture. (10)

Knowledge 2, application 2, analysis 3, evaluation 3

Expect to see a range of suggestions, both internal and external. The key here lies in the application, analysis and evaluation of these sources. There ought to be a recognition that the size and nature of the firm will make some sources more suitable/likely than others e.g. A rights issue is of little relevance to our worm farm. Accept any logical train of thought but evaluation is the key here to a good answer.

Level 4

A full look at possible sources of finance. Clear understanding, good use of toolkit and awareness of the suitability for the venture. There is a supported and convincing evaluative conclusion.

9 - 10 marks

Level 3

A range of sources is discussed with good understanding. Knowledge and application are evident and use of toolkit is reasonable. Answers may be less clear and may lack balance. Evaluation may be thin.

7-8 marks

Level 2

Some understanding of possible sources but response lacks depth and/or development, toolkit use may be limited.

4-6 marks

Level 1

Some understanding of the issues but little development, no toolkit.

1 - 3 marks

(b) Evaluate measures a business might take to reduce the risk of failure when planning a new venture. (15)

Knowledge 3 application 2, analysis 3, evaluation 7

Expect to see a range of suggestions here. Candidates may offer toolkit concepts such as investment appraisal, contingency/scenario planning, the use of a business plan, market research or financial forecasting and the use of relevant economic data. Good answers will offer a range of ideas, accept any logical train of thought but evaluation is the key here to a good answer.

Level 4

A full discussion of a range of measures. They are placed into context and their relative advantages and disadvantages are explored for each. There will be sound analysis, which will lead to a convincing evaluative conclusion. Answers are clear, and make good use of terminology and toolkit.

12-15 marks

Level 3

A range of measures are discussed with good understanding. Knowledge and application are evident and use of toolkit is reasonable. Answers may be less clear and may lack balance. Evaluation may be thin or missing.

8-11 marks

Level 2

Some understanding of possible measures but response lacks depth and/or development, toolkit use may be limited.

4-7 marks

Level 1

Some understanding of measures but little development, no toolkit.

1-3 marks

OPTION 3

Question 11

Examine the view that intangible assets can be a source of above normal profits.

(7)

Knowledge 2, application 2, analysis 2, evaluation 1

A range of possible explanations may be offered in response to this question. Candidates may make reference to basic supply and demand, arguing that intangible assets can create a unique product which may be able to demand high prices. Brands are able to build customer loyalty and are way of differentiating products. Answers may focus on alternative intangible assets such as technical expertise or even corporate culture. In reality it is likely that brand awareness will be most common way of accessing this question. Candidates may also refer to the importance of patents and copyright.

Level 3

At this level answers should demonstrate sound development of at least two points regarding the value of intangible assets. Clear explanation offered as to how intangible assets may be a source of above normal profits.

6-7 marks

Level 2

Appropriate explanation as to how intangible assets may be a source of above normal profits. The explanation may not be fully developed or, may not be directly linked to the context. Points may not be fully developed but should identify examples of intangible assets.

4-5 marks

Level 1

Some valid insights offered. Answers at this level are likely to be unqualified assertions.

1-3 marks

Question 12

Assess the reasons behind Unilever's decision to dispose of Birds Eye at a time when profits are rising. (8)

Knowledge 2, application 2, analysis 3, evaluation 1

A range of possible reasons for disposing of Birds Eye may be identified. Reward all valid arguments. Candidates may identify the relative underperformance of the Birds Eye company and that it is not contributing sufficiently to group profits. Disposal is also likely to release investment funds which may be used to invest in an existing area of the business or to invest in the acquisition of new businesses which could be grown and which may yield higher returns. Disposal may also increase funds available for distribution to shareholders. A contraction of the market for frozen foods may also have influenced the decision to dispose of Birds Eye.

Level 4

Two reasons are identified and appropriate assessment is offered of the reasons for disposal. Answers should demonstrate balanced examination with clear evaluative comment on the reasons for disposal of Birds Eye.

7-8 marks

Level 3

Clear arguments which correctly identify two reasons for the disposal of Birds Eye. Answers may lack balance in their development. Analysis should be evident although the evaluative element is likely to be limited or missing.

5-6 marks

Level 2

Valid comments are made. These comments are likely to be characterised by assertions. Some reasons for disposal of the brand are identified without development.

3-4 marks

Level 1

Simple insights are offered. There is likely to be some merit in unsupported assertions. Demonstrating some relevant economic and business knowledge.

1-2 marks

Question 13

Evaluate the possible consequences for Birds Eye's suppliers of the decision by Unilever to sell the company. (10)

Knowledge 2, application 2, analysis 2, evaluation 4.

Look for appropriate use of the evidence here. Expect to see potential consequences for the supply chain considered. Suppliers might be affected in a number of ways. Supply contracts may be renegotiated. Cost cutting to secure the continuance of contracts may squeeze margins and may prompt job cutting within the supply chain. Look to reward all reasoned arguments which might be supported by the stimulus.

Look for appropriate use of toolkit.

Level 4

Look for effective examination of possible consequences for the supply chain. Look for two points well developed.

8-10 marks

Level 3

Look for some sound development of points. Knowledge and application are demonstrated but the examination of implications for the supply chain is flawed.

5-7 marks

Level 2

Valid points are made. Candidates should make an effort to examine the data provided in order to reach a judgement. Answers may be incomplete or rely heavily upon listing of points without adequate examination.

3-4 marks

Level 1

Responses have some merit in unsupported assertions. Limited relevant business and economic knowledge is displayed.

1-2 marks

Question 14

(a) Explain how innovation may result in profit maximisation. (10)

Knowledge 2, application 2, analysis 4, evaluation 2

Any firm making supernormal profit is likely to find that their prices are being undercut. In order for firms to keep their place in the market they may need to look at strategies aimed at maintaining their position. This may undercut prices or seek to innovate. Firms may seek to exploit new technologies in order to develop a competitive advantage. New products can be developed. Technological innovation can lead to the introduction of products which cost less, work better and which are more reliable.

Level 4

Candidate clearly examines the link between innovation and profit maximisation, giving clear examples of the potential benefits of innovation in achieving profit maximisation.

9 - 10 marks

Level 3

Candidate provides an accurate explanation of innovation strategies and seeks to develop a link between innovation and profit maximisation. Candidate offers a sound examination of how innovation might provide benefits for firms leading to profit maximisation.

7- 8 marks

Level 2

Candidate provides an accurate explanation of the term but fail to build on this knowledge.

4-6 marks

Level 1

Candidate demonstrates valid insights. Some merit is evident in unsupported assertions, demonstrating some business and economic knowledge.

1- 3 marks

(b) Evaluate the implications of competition on business strategy. (15)

Knowledge 3 application 2, analysis 3, evaluation 7

Expect to see a balanced argument where candidates recognise that there are potential gains and costs associated with competition. On the one hand competition may lead to an impetus to innovate on the other hand, it may increase costs for firms without significantly increasing sales and profitability. Firms may seek to compete aggressively - look for strategies which will enable them to maintain sales or alternatively maintain profitability at the expense of sales. Strategies used will depend upon the product and degree of competition faced.

Level 4

Candidate provides a wide ranging and well supported evaluation. We are looking for two points well developed.

12- 15 marks

Level 3

Candidate demonstrates a sound appreciation of the consequences of competition on business strategy. Responses should demonstrate appropriate analysis and identify possible responses.

8 -11 marks

Level 2

Candidate demonstrates some appreciation of the implications of competition on business strategy. Two points may be raised or one point well developed. Expect to see appropriate knowledge, identified and applied.

4-7 marks

Level 1

Candidates provide a largely descriptive response. Assertions may have merit and demonstrate some business and economic knowledge.

1 - 3 marks

Question 15

(a) Explain how employee share ownership may benefit firms. (10)

Knowledge 2, application 2, analysis 4, evaluation 2

Employee share ownership may lead to improvements in employee motivation. Share ownership gives staff a more active stake in the business.

Level 4

Candidates fully explain how employee share ownership schemes may improve motivation and foster a stakeholder culture. It may also help to reduce absenteeism. Appropriate concepts are applied.

9 - 10 marks

Level 3

Candidate provides a reasonable examination of potential benefits of employee share schemes. Answers demonstrate an understanding of concepts.

7-8 marks

Level 2

Candidate demonstrates knowledge of some possible benefits of an employee share ownership scheme. Some valid points are made, with little development, or a single benefit is developed well.

4 - 6 marks

Level 1

Candidate provides a descriptive and unsupported response. There is some demonstration of business and economic knowledge.

1 - 3 marks

(b) Evaluate the possible benefits for firms of creating closer relationships with staff. (15)

Knowledge 3, application 2, analysis 3, evaluation 7

Developing closer relationships with employees can offer significant benefits for firms. Closer relationships can encourage improved motivation and encourage workers to take on additional responsibility. Consultation through such groups as workers councils can minimise resistance to change. In recent change there has been a much greater emphasis towards involving employees much more in the production and decision making process.

Level 4

Candidates provide a full and varied explanation to the question, using appropriate examples. An assessment of the potential benefits of forming closer relationships should be evident.

12- 15marks

Level 3

Candidates provide an accurate but less varied explanation, with some relevant illustrations as to how employers may form closer relationships with employees.

8-11 marks

Level 2

Candidates demonstrate an uncritical examination of the benefits of building closer relationships with employees but fails to develop points with appropriate examples.

4 - 7 marks

Level 1

Candidates put forward a limited awareness and offers little explanation of possible benefits.

1 - 4 marks