

Cambridge Technicals Business

Unit 1: The business environment

Level 3 Cambridge Technical in Business
05834 - 05837 & 05878

Mark Scheme for June 2023

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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MARKING INSTRUCTIONS

PREPARATION FOR MARKING RM3

1. Make sure that you have accessed and completed the relevant training packages for on-screen marking: RM assessor Online Training and the *OCR Essential Guide to Marking*.
2. Make sure that you have read and understood the mark scheme and the question paper for this unit.
3. Practice scripts discussed at the standardisation meeting will be made available on Kiteworks. After the standardisation meeting, please log in to RM3, mark, fully annotate and submit all 10 standardisation scripts.

YOU MUST HAVE WORKED THROUGH THE 5 PRACTICE SCRIPTS AND SATISFACTORILY MARKED 10 STANDARDISATION RESPONSES BEFORE YOU CAN BE APPROVED TO MARK LIVE SCRIPTS.

MARKING

1. Mark strictly to the mark scheme.
2. Marks awarded must relate directly to the marking criteria.
3. The schedule of dates is very important. It is essential that you meet the RM3 50% and 100% deadlines. If you experience problems, you must contact your Team Leader without delay.
4. If you are in any doubt about applying the mark scheme, consult your Team Leader using the RM3 messaging system, email, text or phone.
5. **Crossed Out Responses**
Where a candidate has crossed out a response and provided a clear alternative then the crossed out response is not marked. Where an alternative response has **not** been provided, examiners should give candidates the benefit of the doubt and **mark the crossed out response where legible**.

Multiple Choice Question Responses

When a multiple choice question has only a single, correct response and a candidate provides two responses (even if one of these responses is correct), then no mark should be awarded (as it is not possible to determine which was the first response selected by the candidate).

Contradictory Responses

When a candidate provides contradictory responses, then no mark should be awarded, even if one of the answers is correct.

Short Answer Questions (requiring only a list by way of a response, usually worth only **one mark per response**)

Where candidates are required to provide a set number of short answer responses then only the set number of responses should be marked. The response space should be marked from left to right on each line and then line by line until the required number of responses have been considered. The remaining responses should not then be marked. Examiners will have to apply judgement as to whether a 'second response' on a line is a development of the 'first response', rather than a separate, discrete response.

Short Answer Questions (requiring a more developed response, worth **two or more marks**)

If the candidates are required to provide a description of, say, three items or factors and four items or factors are provided, then mark on a similar basis – that is downwards (as it is unlikely in this situation that a candidate will provide more than one response in each section of the response space.)

Longer Answer Questions (requiring a developed response)

Where candidates have provided two (or more) responses to a medium or high tariff question which only required a single (developed) response and not crossed out the first response, then only the first response should be marked. Examiners will need to apply professional judgement as to whether the second (or a subsequent) response is a 'new start' or simply a poorly expressed continuation of the first response.

6. Always check that all pages have been marked, including additional pages and annotate 'SEEN' or 'BP'.
7. **Award No Response (NR) if:**
 - **there is nothing written in the answer space**

Award Zero '0' if:

- **anything is written in the answer space and is not worthy of credit (this includes text and symbols).**

Team Leaders must confirm the correct use of the NR button with their markers before live marking commences and should check this when reviewing scripts.

8. The RM3 **comments box** is used by your team leader to explain the marking of the practice responses. Please refer to these comments when checking your practice responses. **Do not use the comments box for any other reason.**
9. *Assistant Examiners may send a brief report on the performance of candidates to their Team Leader (Supervisor) via email towards the end of the marking period. The report should contain notes on particular strengths displayed as well as common errors or weaknesses.*

10. For answers marked by levels of response: See subject-specific marking instructions **item 1, below**.
11. For annotations: See subject-specific marking instructions **item 2, below**.





Subject-specific marking instructions

1. 12-mark Level of Response marked questions are to be marked over 4 levels:
Level 1 knowledge, Level 2 understanding, Level 3 analysis, Level 4 evaluation.

NB: L1 responses can be analysed to proceed directly to L3.

L3 analysis is always required before L4 can be accessed.

2. Annotations

Annotation	Meaning	Annotation	Meaning
	Tick – correct, mark awarded	L1	Level 1 (Knowledge)
	Cross – incorrect, mark not awarded	L2	Level 2 (Understanding)
	Meaning of response unclear	L3	Level 3 (Analysis)
NAQ	Not answered question	L4	Level 4 (Evaluation)
TV	Too vague	CONT	Response is contextual
BOD	Benefit of doubt	SEEN	Noted but no credit given
REP	Same point repeated	BP	Blank page
OFR	Own figure rule		Highlight

SECTION A			
Question	Answer	Marks	Guidance
1	Indicative content: B	1	For one mark.
2	Indicative content: C	1	For one mark.
3	Indicative content: D	1	For one mark.
4	Indicative content: B	1	For one mark.
5	Indicative content: B	1	For one mark.
6	Indicative content: C	1	For one mark.
7	Indicative content: B	1	For one mark.
8	Indicative content: D	1	For one mark.
9	Indicative content: B	1	For one mark.
10	Indicative content: B	1	For one mark.
11	Indicative content: B	1	For one mark.
12	Indicative content: A	1	For one mark.
13	Indicative content: C	1	For one mark.
14	Indicative content: A	1	For one mark.
15	Indicative content: B	1	For one mark.
16	Indicative content: D	1	For one mark.
17	Indicative content: C	1	For one mark.
18	Indicative content: C	1	For one mark.
19	Indicative content: B	1	For one mark.
20	Indicative content: B	1	For one mark.

SECTION B			
Question	Answer	Marks	Guidance
21	<p>Responses include:</p> <ul style="list-style-type: none"> • physical expansion of premises/land – size or quantity e.g. bigger factory, more stores, buy another acre of farmland • additional/new product/service introduced • operate in new/wider markets e.g. start exporting, sell online • increase market share • increase output. 	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Must be a growth aim.</p> <p>Do not award financial, survival, reputational or entrepreneurial aims.</p> <p>'Expand the business', 'Expand globally' TV (not clear which aspect is being expanded).</p> <p>Do not award 'more customers', 'larger workforce' or 'advertise to ...' as these are ways of achieving the growth aim.</p> <p>NB Accept two answers from the same bullet point.</p> <p>Answers should relate to the business which the learner has researched.</p>

Question	Answer	Marks	Guidance
22	<p>Responses include:</p> <p>Advantages:</p> <ul style="list-style-type: none"> • flexible (plus*) • high productivity/efficiency (plus*) • good/fast decision-making (plus*) • good/fast problem-solving (plus*) • motivation (plus*) • creative/innovative (plus*) • adaptable to meet needs of particular customers (plus*). <p>NB * Reference to project/group/team (or individual <u>workers</u> from different departments/functions working together) required to award the advantages listed above.</p> <p>Disadvantages:</p> <ul style="list-style-type: none"> • confusion (plus**) • conflict (plus**) • low productivity/inefficient (plus**) • poor/slow decision-making (plus**) • poor/slow problem-solving (plus**) • lack of motivation (plus**) • high cost (plus**) • difficult to manage staff (plus**) • unhealthy competition between departments (plus**). <p>NB ** Reference to project, multiple managers, multiple leadership styles, or differing instructions/orders/ priorities required to award the disadvantages listed above.</p>	4	<p>In each case, award: Two marks for a contextual answer (CONT annotation required) OR One mark for a non-contextual answer.</p> <p>Test for CONTEXT = product/service/industry only. Award for any industry specific term so long as it does not duplicate a word in the declared name of the business.</p> <p>Answers relating to 'communication' TV.</p> <p>Answers should relate to the business which the learner has researched.</p>

Question	Answer	Marks	Guidance
	<p>Exemplar responses:</p> <p>Name of business: Coopers Underwriters Activity of business: Insurance</p> <p>One advantage of using a matrix structure is that the structure is <u>flexible</u> because <u>project</u> teams can be added easily if needed (1) (NO CONT).</p> <p>One advantage of using a matrix structure is that the structure is <u>flexible</u> because <u>project</u> teams can be added (1) easily if additional clients contact the business for insurance cover (CONT+1).</p> <p>One disadvantage of using a matrix structure is that employees need to take instructions from <u>several managers</u> which may cause <u>confusion</u> (1) (NO CONT).</p> <p>One disadvantage of using a matrix structure is that employees need to take instructions from <u>several managers</u> which may cause <u>confusion</u> (1), for example assessing insurance policy risk (CONT+1) for their line manager and dealing with a project-related issue for the project manager.</p>		

Question	Answer	Marks	Guidance
23	<p>Responses include:</p> <ul style="list-style-type: none"> • low interest rate (in comparison with loans/credit cards) • <u>long</u> time to pay back/spread out cost/pay in instalments • enables the <u>purchase/ownership</u> of property/land. <p>Exemplar response:</p> <p>Name of business: PG Foam Ltd Activity of business: Foam converter</p> <p>Obtaining a mortgage enabled the company to buy a second factory (1).</p> <p>Obtaining a mortgage enabled the company to buy a second factory (1) to make its mattresses (CONT+1).</p> <p>Another benefit of using a mortgage is that the interest rate was relatively low (1).</p>	4	<p>In each case, award:</p> <p>Two marks for a contextual answer (CONT annotation required) OR One mark for a non-contextual answer.</p> <p>Test for CONTEXT = product/service/industry only. Award for any industry specific term so long as it does not duplicate a word in the declared name of the business.</p> <p>Accept 'purchase a place' for 'purchase a property'.</p> <p>'Long term source of finance' TV, 'large amounts of money' TV.</p> <p>Do not award: 'quick', 'easy', 'instant', 'less pressure', or 'low cost'.</p> <p>Do not award arguments relating to fixed interest rates.</p> <p>Answer should relate to the business which the learner has researched.</p>

Question	Answer	Marks	Guidance
24	<p>Responses include:</p> <ul style="list-style-type: none"> • Advantages: <ul style="list-style-type: none"> ○ motivation ○ better industrial relations ○ avoidance of industrial action ○ more output ○ greater productivity ○ less wastage ○ better quality ○ better customer service ○ lower absenteeism ○ less lateness ○ good employee retention/low labour turnover/fewer resignations. • Disadvantages: <ul style="list-style-type: none"> ○ expensive/costly ○ greater cash outflows ○ time consuming ○ may conflict with the demands of other stakeholders ○ may increase demands from other stakeholders. <p>Exemplar response:</p> <p>Name of business: Sockets plc Activity of business: Soup manufacturers</p> <p>One advantage to Sockets plc of meeting the needs of its employees is that the workers will be more motivated (1), increasing the number of tins of soup (CONT+1) produced (+1).</p> <p>One disadvantage to Sockets plc of meeting the needs of its employees is it may cost money (1), this would have a negative effect on the company's cash flow (+1) and may mean they cannot afford to diversify into other canned (CONT+1) products.</p>	6	<p>In each case, award:</p> <p>One mark for advantage/disadvantage for the business. One mark for a business-facing consequence of advantage/disadvantage. One mark for context.</p> <p>Test for CONTEXT = product/service/industry only. Award for any industry specific term so long as it does not duplicate a word in the declared name of the business.</p> <p>First mark for knowledge of an advantage/disadvantage for the business. Second mark for a business-facing consequence of this advantage/disadvantage (must link to first mark). One additional mark for context (only awardable if an advantage/disadvantage mark has been awarded) (CONT annotation required). NB Context alone cannot be awarded.</p> <p>'Better reputation/feedback/reviews/revenue/profits', etc – second mark only (and need a clear link to the first mark). 'Employees/other stakeholders might take advantage' TV.</p> <p>Do not award answers relating to 'morale', 'stress' or employees' feelings, etc as these are impacts on the employee rather than the business.</p> <p>Do not award answers relating to meeting <u>customer</u> needs, please annotate NAQ.</p> <p>Watch out for responses that consider the disadvantages of <u>not</u> meeting employee needs, this is not the question. Please annotate NAQ.</p> <p>Answer should relate to the business which the learner has researched.</p>

Question	Answer	Marks	Guidance
25	<p>Use levels of response criteria:</p> <p>Responses include:</p> <ul style="list-style-type: none"> • publish policy statements (e.g. make data use clear, data privacy policies) • obtain consent (e.g. positively option in, ask if ok to hold data, tick boxes on forms, use of cookies) • use of plain language • appoint/have a data protection officer • due diligence when buying or selling data • report data breaches (within 72 hours). <p>Exemplar response:</p> <p>Name of business: Waterstones Activity of business: Bookstore Waterstones ensures it has consent to use data from cookies (WHAT) by specifically asking visitors to the website to click a button (HOW) to confirm that the business can use the data to send targeted emails about the books (CONT) it sells. Context so L2, WHAT and HOW - 4 marks.</p> <p>Name of business: Waterstones Activity of business: Bookstore Waterstones ensures it has consent (WHAT) to use data about what books (CONT) customers have viewed on the website. Context so L2, WHAT – 3 marks.</p> <p>Name of business: Waterstones Activity of business: Bookstore</p>	4	<p>Levels of response</p> <p>Level 2 (3 - 4 marks) (CONT annotation required) Candidate gives a contextual response about compliance with GDPR.</p> <p>Level 1 (1 - 2 marks) Candidate gives a non-contextual response about compliance with GDPR.</p> <p>Award top of the appropriate level for TWO WHATs (or ONE WHAT described i.e. WHAT and HOW).</p> <p>Award bottom of the appropriate level for ONE WHAT identified.</p> <p>Answer must relate to the additional requirements of the GDPR on Data Protection.</p> <p>Award 0 if no specific activity to comply with GDPR is identified.</p> <p>Test for CONTEXT = product/service/industry only. Award for any industry specific term so long as it does not duplicate a word in the declared name of the business.</p> <p>NB question is 'describe', WHAT or HOW required.</p> <p>Do not award answers relating to data accuracy, being up to date, security, password protection, confidentiality, encryption, not selling data outside Europe. Please annotate SEEN.</p> <p>Answer should relate to the business which the learner has researched.</p>

Question	Answer	Marks	Guidance
	<p>Waterstones ensures it has consent (WHAT) to use data from cookies by specifically asking visitors to the website to click a button (HOW) to confirm that the business can use the data for marketing purposes. No context so L1, WHAT and HOW - 2 marks.</p> <p>Name of business: Waterstones Activity of business: Bookstore Waterstones ensures it has consent (WHAT) to use data from cookies. No context so L1, WHAT – 1 mark.</p>		

SECTION C				
Question		Answer	Marks	Guidance
26		<p>Indicative content:</p> <ul style="list-style-type: none"> Unlimited liability. 	1	<p>For one mark.</p> <p>NB Contradictory response rule applies. If both boxes are ticked, award 0.</p>
27		<p>Responses include:</p> <ul style="list-style-type: none"> advantages e.g. more internal finance, more capital, shared workload, shared responsibility, more skills/expertise/advice (managerial skills, travel and tourism skills), more experience/market knowledge (holidays), get help from each other, more ideas, discuss issues, better decision-making, cover for holidays/sickness, etc. disadvantages e.g. disagreements, conflicts, differing opinions/visions/objectives, need to compromise, slower decision-making, less profit/profit must be shared, business ends if partner dies, more time consuming to set up (deed of partnership), more paperwork, responsible for partner's actions, etc. <p>Exemplar response:</p> <p>One advantage to Taylor of taking on a partner is extra capital (1) which could be used to redecorate the hotel rooms (CONT+1).</p> <p>One disadvantage for Taylor of operating the hotel as a partnership is that Mia may have different opinions (1) on what environmentally friendly (CONT+1) option to take next.</p>	4	<p>In each case, award:</p> <p>Two marks for a contextual answer (CONT annotation required) OR One mark for a non-contextual answer.</p> <p>Context e.g. rooms, tourists, guests, bookings, environmentally friendly, minibuss, solar panels, poor reviews, website, travel agency, profit shared <u>50/50</u>, profit <u>halved</u>, <u>50%</u> of profit, <u>both</u>, <u>one more</u> person, <u>two</u> sources of capital, etc. Do not award 'hotel' as context as it is in the name of the business.</p> <p>NB must be advantages/disadvantages of being a partnership in comparison to a sole trader (not in comparison with being a limited company).</p> <p>Do not award issues relating to liability, legal entity or financial affairs being private as these are the same for sole traders and partnerships.</p> <p>Do not award 'more stressful'/'less stressful' unless reason given.</p> <p>Do not award 'share debts'/'share liability'/'share losses'/'share costs' as partners are jointly and severally liable.</p>

Question	Answer	Marks	Guidance
28	<p>Use level of response criteria. Responses include:</p> <ul style="list-style-type: none"> • cheaper gas/electricity bills • reduced fuel costs e.g. electric rather than diesel • gives the hotel a USP • useful for marketing purposes • competitive advantage • good reputation • good business image • avoid actions from pressure groups • positive publicity • increased brand loyalty • more customers • wider customer base • improved customer relations • may be able to charge a higher price • improved motivation • aids recruitment • may be able to attract eco-friendly investors e.g. additional partners • may be able to attract eco-friendly financiers e.g. loan from eco-friendly bank, government grants • may be able to attract sponsorship deals, etc. <p>Exemplar response: One benefit gained by <i>Wattis Hotel</i> from being environmentally friendly is that the business is likely to gain a better reputation (L1). This may encourage more people to book with the hotel (L2), leading to higher revenues (L3).</p> <p>Another benefit is that being environmentally friendly can act as a unique selling point for the hotel (L1). This may attract eco-friendly customers who are willing to pay higher prices (L2), leading to higher profits (L3).</p>	12	<p>Levels of response</p> <p>Level 4 (10 - 12 marks) Candidate evaluates likely benefits gained by <i>Wattis Hotel</i> from its environmentally friendly operation.</p> <p>Level 3 (7 - 9 marks) Candidate analyses one or more benefits(s) to <i>Wattis Hotel</i> of being environmentally friendly.</p> <p>Level 2 (4 – 6 marks) Candidate explains one or more benefits(s) to <i>Wattis Hotel</i> of being environmentally friendly.</p> <p>Level 1 (1 – 3 marks) Candidate identifies one or more benefits(s) to <i>Wattis Hotel</i> of being environmentally friendly.</p> <p>L1 – identifies a benefit to the business.</p> <p>L2 – explains cause of benefit/suggests a further benefit which is stakeholder-facing or a consequence (rather than impact) for the business.</p> <p>L3 – analysis which is business-facing i.e. an impact on the business of identified L1 (must link). e.g. cheaper bills L1 leads to higher profits L3; cheaper bills L1 leads to increased revenue (no link).</p> <p>NB: Max one L3 per L1 point.</p> <p>L4 evaluation – an overall judgement of the greatest, most important or most likely benefit <u>for the business</u>. Award 10 marks for a ‘pick’ with valid reasoning but no context. Award 11 marks for a ‘pick’ with valid reasoning and context. Award 12 marks for a ‘pick’ with valid reasoning and justification of why at least one other benefit was rejected, and context.</p>

Question	Answer	Marks	Guidance
	<p>A third benefit is that the utility bills are likely to be cheaper (L1) lowering business costs (L3) and improving cash flow.</p> <p>I think that a reduction in utility bills to improve the poor cash flow situation that the business appears to be in (CONT), is likely to be the greatest benefit to <i>Wattis Hotel</i>, especially in the winter months when the business is forced to use its overdraft facility (L4). This is likely to lead to an instant improvement whereas it may take a long time for a good reputation to develop by word of mouth and for eco-friendly customers to hear about the hotel (L4).</p>		<p>Do not award L4 for a 'pick' that has no valid justification.</p> <p>Context e.g. rooms, tourists, guests, bookings, eco-friendly, detergent, minibus, solar panels, poor reviews, website, founded 2020, travel agency, poor cash flow, use overdraft in winter, basic band, etc.</p> <p>Do not award 'hotel' as context as it is in the name of the business.</p> <p>Do not award 'environmentally friendly' as context as it repeats the question.</p> <p>'Exposure' TV (unless more detail given e.g. positive exposure to potential new customers).</p> <p>L1 'Reduced costs' TV (the initial cost of many environmentally friendly options are expensive). However, do award 'reduced fuel bills', 'reduced long term cost', etc.</p> <p>Do not award 'being environmentally friendly/operating in an environmentally friendly way' for L2 as this repeats the question.</p> <p>Accept answers in the inverse e.g. accept avoid a bad reputation/publicity, etc as benefits.</p> <p>NB 'more customers' L2 max.</p>

Question		Answer	Marks	Guidance
29	(a)	<p>Indicative content:</p> <p>Identification:</p> <ul style="list-style-type: none"> • (operating) expenses increased/revenue not kept pace with operating expenses. <p>Explanations:</p> <ul style="list-style-type: none"> • has led to a fall in profit • expenses calculation – (increased by) £42k, (increased by) 55% • suggested specific causes of overspend e.g. electricity prices gone up, high wages (also accept minibuses, solar panels, lighting sensors), etc. <p>Exemplar response:</p> <p>Operating expenses have increased (1) causing a significant reduction in profit (+1).</p> <p>Operating expenses have increased (1) by £42,000 (+1).</p> <p>Operating expenses are too high (1) possibly because they paid a lot for the lighting sensors (+1).</p>	2	<p>One mark for a correct identification plus one mark for explanation.</p> <p>Do not award £42 for £42,000.</p> <p>Pound sign not required.</p>

Question		Answer	Marks	Guidance												
29	(b)	<p>Indicative content:</p> <ul style="list-style-type: none"> costs: go up/increase/higher net profit: go down/decrease/lower break-even point: go up/increase/higher 	3	<p>One mark for impact on costs. One mark for impact on net profit. One mark for impact on break-even point.</p> <p>Costs: Accept 'more costs' for 'goes up'. Net profit: Accept 'less profit' for 'goes down'.</p> <p>Financial impact required i.e. direction of change. Do not award 'get worse' or 'harder' to break-even.</p> <p>Award first answer on the line, unless response is explicitly contradictory i.e. do not award 'costs may increase <u>or</u> decrease' (0).</p>												
30	(a)	<p>Indicative content:</p> <table border="1"> <thead> <tr> <th></th> <th>Source:</th> <th>Control:</th> <th>Action:</th> </tr> </thead> <tbody> <tr> <td>Threat</td> <td>External</td> <td>Cannot control</td> <td>Can only react/respond</td> </tr> <tr> <td>Weakness</td> <td>Internal</td> <td>Can control</td> <td>Can remove/resolve</td> </tr> </tbody> </table> <p>Exemplar response:</p> <p>A Threat comes from an external source (1) whereas a Weakness is internal (+1).</p> <p>A Threat is out of the firm's control (1) whereas a Weakness is internal (mismatch).</p> <p>A Threat can only be responded to (1) whereas a Weakness is really serious (0).</p>		Source:	Control:	Action:	Threat	External	Cannot control	Can only react/respond	Weakness	Internal	Can control	Can remove/resolve	2	<p>Award:</p> <p>Two marks for a full answer detailing a 'matched' difference. One mark for a partial answer i.e. some correct content but not a 'matched' difference.</p> <p>Weakness: 'doing wrong', 'need to change', 'need to improve' TV.</p> <p>Threats: 'bad things that may happen' TV.</p> <p>Do not award examples.</p>
	Source:	Control:	Action:													
Threat	External	Cannot control	Can only react/respond													
Weakness	Internal	Can control	Can remove/resolve													

Question		Answer	Marks	Guidance
30	(b)	<p>Use level of response criteria.</p> <p>Responses include:</p> <ul style="list-style-type: none"> Human resource issues e.g. offended customers, complaints, bad reviews online, requests for refunds, lack of staff, unfinished tasks, higher absenteeism, increased lateness, poor reputation, little repeat custom, bad publicity, etc. Limited marketing e.g. business unknown, limited awareness, lack of customers, lose out on revenue, lack of business growth, etc. Poor cash flow management – e.g. limited funds to improve rooms, unable to upgrade hotel, unable to pay bills, need a larger overdraft, increased finance costs, insolvency, bankruptcy, business closure, etc. <p>Exemplar response:</p> <p>The human resource issues are likely to lead to there being too few staff (L1). This will leave tasks unfinished (L2) causing customer complaints (L3).</p> <p>Limited marketing is likely to lead to too few people knowing about the hotel (L1). This means that there are likely to be fewer guests (L2), lowering the potential profits that the partners can make (L3).</p> <p>Poor cash flow management could lead to the business being unable to pay its utility bills (L1). This could mean that the business becomes insolvent (L3).</p> <p>The human resource issues are likely to have the greatest impact on the future success of the hotel because they will have a negative effect on the hotel's reputation for many years to come (L4). Whereas dealing with the cashflow issues can be quickly sorted out by paying bills closer to their deadline or requesting a higher overdraft limit in winter (CONT) (L4).</p>	12	<p>Levels of response</p> <p>Level 4 (10 - 12 marks) Candidate evaluates which Weakness is likely to have the greatest impact on the future success of <i>Wattis Hotel</i>.</p> <p>Level 3 (7 - 9 marks) Candidate analyses the impact of one or more Weakness(es) on <i>Wattis Hotel</i>.</p> <p>Level 2 (4 – 6 marks) Candidate explains the impact of one or more Weakness(es) on <i>Wattis Hotel</i>.</p> <p>Level 1 (1 – 3 marks) Candidate identifies the impact of one or more Weakness(es) on <i>Wattis Hotel</i>.</p> <p>L1 – identifies a negative impact on the business.</p> <p>NB Max one L1 per Weakness.</p> <p>L2 – explains cause of negative impact/suggests a further negative impact which is stakeholder-facing or a consequence (rather than impact) on the business.</p> <p>L3 – analysis which is business-facing i.e. an impact on the business of L1 point (must link). e.g. lose revenue L1 leads to lower profits L3; lose revenue L1 leads to increased costs (no link).</p> <p>NB: Max one L3 per L1 point.</p> <p>NB An impact of two Weaknesses must have been identified (and at least one analysed) to consider L4 i.e. at least one L3 and 2 x L1 to consider L4.</p>

Question	Answer	Marks	Guidance
			<p>L4 evaluation – an overall judgement of the greatest/worst impact <u>on the business</u>. Award 10 marks for a ‘pick’ with valid reasoning but no context. Award 11 marks for a ‘pick’ with valid reasoning and context. Award 12 marks for a ‘pick’ with valid reasoning and justification of why at least one other impact was rejected, and context.</p> <p>Do not award L4 for a ‘pick’ that has no valid justification.</p> <p>Context e.g. rooms, occupancy, tourists, guests, environmentally friendly, minibuses, solar panels, poor reviews, unlimited liability, partner, stays, bookings, holiday, travel agency, <u>use overdraft</u> in winter, Travelodge, Premier Inn etc. Do not award ‘hotel’ as context as it is in the name of the business. Do not award any phrase in the Weaknesses box on the SWOT analysis for context, as this forms part of the question.</p> <p>‘Exposure’ TV (unless more detail given e.g. lack of exposure to potential new customers).</p> <p>Business fails/failure TV – bankruptcy/insolvency (go bust) required.</p> <p>NB ‘fewer customers’ L2 max.</p> <p>NB For a point to be awarded it must be clear which of the three Weaknesses the candidate is addressing.</p>

Question	Answer	Marks	Guidance
31	<p>Use level of response criteria.</p> <p>Responses include:</p> <ul style="list-style-type: none"> • charge more per room • operate from additional location e.g. open another hotel • add more rooms • install mini-bars/kettles/coffee machines in the rooms • redecorate the rooms • buy new carpets • issue quality shampoos • offer room service • offer dry-cleaning • provide wifi • provide printing services • provide hair dressing services, • provide minibus shuttle to station • provide breakfast • open a restaurant/buy the restaurant next door • install a gym/health spa • do deals with local pubs and cafés • offer booking service via tourist board/hotel reservation sites. <p>Exemplar response:</p> <p>Taylor and Mia should add extra bedrooms (L1). This will improve the capacity of the hotel (L2), maximising future cash inflows (L3).</p> <p>The hotel should install mini-bars in guest bedrooms (L1) as this is likely to increase the revenue it can gain from each room (L3).</p> <p>Finally, they should list the hotel on several online hotel reservation sites (L1), so they can reach potential customers from abroad (L2), increasing profits (L3).</p>	12	<p>Levels of response</p> <p>Level 4 (10 - 12 marks) Candidate evaluates how Taylor and Mia should change <i>Wattis Hotel's</i> service provision in response to the predicted fall in local/national/international unemployment levels.</p> <p>Level 3 (7 - 9 marks) Candidate analyses one or more way(s) <i>Wattis Hotel's</i> service provision could be changed in response to the predicted fall in unemployment levels.</p> <p>Level 2 (4 – 6 marks) Candidate explains one or more way(s) <i>Wattis Hotel's</i> service provision could be changed in response to the predicted fall in unemployment levels.</p> <p>Level 1 (1 – 3 marks) Candidate identifies one or more way(s) <i>Wattis Hotel's</i> service provision could be changed in response to the predicted fall in unemployment levels.</p> <p>L1 – identifies an appropriate change the hotel could make i.e. a way (practical how).</p> <p>L2 – explains reason for the change/suggests an impact which is stakeholder-facing or a consequence (rather than impact) on the business.</p> <p>L3 – analysis which is business-facing i.e. an impact on the business of L1 point (must link). e.g. increase prices L1 which will increase revenue L3; increase prices L1 which will increase publicity (no link).</p> <p>NB: max one L3 per L1 point.</p> <p>L4 evaluation – an overall judgement of the recommendations (can be a 'pick' but does not need to be).</p>

Question	Answer	Marks	Guidance
	<p>All of these measures are particularly suitable for <i>Wattis Hotel</i> because they should cause only minor increases in cash outflows while maximising potential revenue (L4) which should help address their cashflow difficulties, especially in winter (CONT). With unemployment levels falling, disposable incomes are rising so these improvements should help the hotel reap the rewards of increased demand (L4).</p>		<p>Award 10 marks for judgement with valid reasoning but no context. Award 11 marks for judgement with valid reasoning and context. Award 12 marks for judgement with valid reasoning which explicitly refers to a fall in unemployment/rise in employment levels, with context.</p> <p>Do not award L4 for a judgement that has no valid reasoning.</p> <p>Context e.g. rooms, tourists, guests, environmentally friendly, minibus, solar panels, poor reviews, website, travel agency, poor cash flow, use overdraft in winter, etc. Do not award 'hotel' as context as it is in the name of the business.</p> <p>L1 – 'move upmarket', 'improve quality', 'improve/upgrade the rooms', 'expand hotel', 'make luxurious', move to higher band' TV – how?</p> <p>Do not award 'cost' for 'price' i.e. do not award 'put the cost of the rooms up by £5'.</p> <p>Do not award marketing- or employee-centric arguments, as these do not relate to service provision.</p> <p>NB Do not award arguments relating to higher unemployment/greater disposable income levels.</p> <p>Do not award 'reducing pricing'/'special deals'/'discounts' as the question requires changes in response to <u>lower</u> unemployment levels.</p> <p>NB 'more customers' max L2.</p>

Question	Answer	Marks	Guidance
32	<p>Responses include:</p> <ul style="list-style-type: none"> • deal with customer queries/enquiries • handle customer complaints • assist/support/advise/liaise with customers • manage customer expectations. 	2	<p>One mark for each correct identification to a maximum of two identifications.</p> <p>Activity required. Do not award skills.</p> <p>Do not award 'be friendly'/'be polite'/'be kind'/'be professional'.</p> <p>Do not award 'greet customers', 'welcome customers'. 'Talk/speak to customers' TV.</p> <p>Do not award answers referring to meeting customer needs or wants.</p> <p>Do not award tasks relating to specific functional areas e.g. 'after sales service', 'manning reception', 'taking bookings' or 'cleaning bedrooms'.</p> <p>Some form of appropriate verb required e.g. 'customer queries' TV 'listen to customer queries' (1), 'respond to customer queries' (1), etc.</p> <p>NB Short answer question rule applies. If multiple answers are given, mark the first answer on each line only.</p>

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