



Rewarding Learning

**General Certificate of Secondary Education
2016**

Applied Business

[G9372]

WEDNESDAY 25 MAY, MORNING

**MARK
SCHEME**

Quality of candidate's responses

In marking the examination papers, examiners will be looking for a quality of response reflecting the level of maturity which may reasonably be expected of a 16-year-old which is the age at which the majority of candidates sit their GCSE examinations.

Unanticipated responses

The mark schemes which accompany the specimen examination papers are not intended to be totally prescriptive. For many questions, there may be a number of equally legitimate responses and different methods by which candidates may achieve good marks. No mark scheme can cover all the answers which candidates may produce. In the event of unanticipated answers in operational examinations, examiners are expected to use their professional judgement to assess the validity of answers. If an answer is particularly problematic, then examiners would seek the guidance of the Supervising Examiner for the paper concerned.

Positive marking

Examiners are encouraged to be positive in their marking, giving appropriate credit for valid responses rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected of a 16-year-old GCSE candidate. Conversely, marks should only be awarded for valid responses and not given an attempt which is completely incorrect or inappropriate.

Marking calculations

In marking answers involving calculations, examiners should apply the "own figure rule" so that candidates are not penalised more than once for a computational error.

Levels of Response Marking Grid

	AO1 [3]	AO2 [3]	AO3 [3]
Mark Band 1	<p>1. Candidates demonstrate a basic knowledge and understanding. They give a basic description. There will be little organisation.</p>	<p>1. Candidates are able to apply limited knowledge and understanding. They give simple explanations. There will be few vocational links.</p>	<p>1. Candidates' responses suggest simple, broadly relevant ideas. They reach straightforward conclusions. Responses may not be clearly presented.</p>
Mark Band 2	<p>2. Candidates demonstrate a sound knowledge and understanding. They give a sound description. Answers will be organised.</p>	<p>2. Candidates apply knowledge and understanding to a range of situations. They give sound explanations, with some detail. There will be some vocational links and occasional detail.</p>	<p>2. Candidates comment in depth suggesting relevant ideas for development. They reach reasoned conclusions. Responses will usually be clearly presented. They will use a good range of specialist terms where appropriate.</p>
Mark Band 3	<p>3. Candidates demonstrate a detailed knowledge and understanding. They give a detailed description. Answers will be well organised.</p>	<p>3. Candidates apply relevant knowledge and understanding. They give full, detailed explanations, vocational links and the inter-relationship between factors.</p>	<p>3. Candidates comment fully, suggesting detailed relevant ideas. They reach reasoned conclusions. Responses will consistently be clearly presented in a logical form. They will use a wide range of specialist terms where appropriate.</p>

1	<p>(a) Public Limited Company [1] (1 × [1]) AO1</p> <p>(b) Shareholders [1] (1 × [1]) AO1</p> <p>(c) Shares [1] (1 × [1]) AO2</p> <p>(d) Prospectus [1] (1 × [1]) AO2</p> <p>(e) Trading Certificate [1] or Certificate of Trading [1] (1 × [1]) AO2</p> <p>(f) Advantages of a public limited company are:</p> <ul style="list-style-type: none"> • Limited liability [1] • Powerful organisations with great influence in the market place [1] • Large capital available [1] which allows for easier borrowing [1] • Can take advantage of economies of scale [1] • Necessary resources are available for expansion and growth [1] • The business has a separate legal identity from its owners and may take legal action on its own behalf without involving the owners [1] • Continuity [1] – the business can continue if one of the shareholders die [1] • Shareholders can buy and sell shares on the stock market [1] without affecting the business [1] • There are opportunities for specialisation and division of labour [1] as each director/manager will have their own area of responsibility within the business [1] <p>Any reasonable alternative responses (2 × [1]) AO1</p> <p>Disadvantages of a public limited company are:</p> <ul style="list-style-type: none"> • Financial information must be available for public inspection [1] – therefore accounts, etc are not private [1]. This may give competitors valuable insights into the affairs of the business [1] • As shareholders are the owners of the business, they have little say in the running of the business [1] as the elected directors and managers make all the decisions [1] • Employees and top management may feel out of touch with one another [1] • Setting up a public limited company is more complicated [1] and involves a lengthy process [1] • Decision making can be slow [1] due to the number of meetings that have to be held [1] as well as the numerous people that may have to be consulted [1] <p>Any reasonable alternative responses (2 × [1]) AO1</p>	<p>[1]</p> <p>[1]</p> <p>[1]</p> <p>[1]</p> <p>[1]</p> <p>[2]</p> <p>[2]</p>
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AVAILABLE MARKS

			AVAILABLE MARKS
<p>(g) Making a profit [1] Satisfying customers/guests [1] Expansion [1] Growth [1] Survival [1] Corporate image [1] (3 × [1]) AO1</p>	[3]		12
<p>2 (a) The reasons for Huntmore plc carrying out market research are:</p> <ul style="list-style-type: none"> • It enables them to price their product/service appropriately [1] and which is acceptable to the customer [1] • It can show if there is a demand for the product or service available [1] • It will be able to identify the target market for the product or service [1] • Sometimes it may be able to identify information regarding competitors [1] • It can prevent the company from making expensive errors [1] • It makes the company aware of any changes in consumers' tastes, needs or requirements [1] • The information gathered ensures the company that they are providing the products or services which the customers are most likely to purchase [1] • It will identify the area in which sales or demand for the product or service will be more successful [1] • It provides the company with the confidence to develop an appropriate marketing strategy [1] <p>Any reasonable alternative responses (3 × [1]) AO2</p>	[3]		
<p>(b) Target audience [1] or Target market [1] (1 × [1]) AO2</p>	[1]		
<p>(c) Market segmentation is: The selection of the group/s of people who would be most interested in a particular product or service [1] so that the product or service could be aimed or targeted at them [1] (1 × [1]) AO1</p> <p>Random sampling is: When people are selected in no particular order [1] to carry out a survey/questionnaire or give their opinion [1] for a particular product/service or business idea. It could be that every tenth person on the street or every one hundredth person from the telephone directory is asked for their contribution/opinion [1] (1 × [1]) AO1</p>	[2]		

(d) Advantages of random sampling are:

- Everyone has the opportunity of being asked or included in the survey [1] which will provide Huntmore plc with a range of responses [1] so that they can develop the product or service that is required by their target market [1]
- The personal opinion of all those who are surveyed are given by a wide range of people [1] which will allow Huntmore plc to analyse the various responses [1] so that they produce a product or service that is specific to the requirements of their target market [1]

Any reasonable alternative responses

(2 × [1]) or (1 × [2]) AO2

Disadvantages of random sampling are:

- The results may not be very accurate unless a very large sample of the people have been used in the sample [1] as a small group of opinions may not be a true reflection of the entire target market [1]
- The most expensive means of collecting information [1] for a company such as Huntmore plc to gather the necessary and accurate information from their target market [1]
- That it is not a suitable means to determine the opinions for some products or services [1] as those selected may not take the survey seriously [1] and therefore provide inaccurate responses [1] which may hinder or misguide the end results for Huntmore plc [1]
- It may not necessarily be the best means of collecting information from the most appropriate group of people or target market [1] which would mean that the results obtained would not be accurate [1] and therefore pointless for Huntmore plc [1]

Any reasonable alternative responses

(2 × [1]) or (1 × [2]) AO2

(4 × [1]) or (2 × [2]) AO2

[4]

(e) Extension strategies for the product life cycle for Huntmore plc include:

- Reducing the price [1] of their products and services so that it can be more accessible for a great number of customers [1] to occupy the rooms/restaurants/bars of the 20 hotels owned by Huntmore plc [1]. This would be special offers that they could offer for mid-week breaks [1], a discount for staying more than five times within their group of hotels [1] or an evening meal 'early bird' menu [1]. Special offers that could be introduced at various times throughout the year [1] in the areas which currently have a Huntmore plc hotel [1]. This will increase the awareness of the products and services offered by the hotel group [1] which will in turn add to the profits being made by Huntmore plc [1]
- Alter/Modify the services available [1]. This would allow Huntmore plc to change their current product or service [1] so that their customers do not get bored with the same hotel and range of services available to them [1] by sustaining the interest of the customer [1] and guaranteeing their loyalty to the Huntmore brand [1]
- Increase the advertising [1] which would be expensive for Huntmore plc [1]. However, it would be money well spent if the sales turnover increased [1] by attracting new customers from all over Northern Ireland [1] which would lead to an increase in end of year profit [1]. This would also allow Huntmore plc to keep to their plan of upgrading their hotels every five years [1].

- Introduce a new variety of hotel [1] as they are currently doing with the two new Pet Hotels [1]. This will enhance the number of customers occupying the hotels and taking advantage of the services available [1]. In a major city within Northern Ireland or by the airport Huntmore plc may have a specific hotel for conference meetings and large seminars [1] offering competitive rates [1]. Huntmore plc may also wish to have their smallest hotel which may be in a country setting allocated for wedding parties [1] giving their customers the entire building and grounds to themselves – exclusive [1]
- Expand the group of hotels to other areas of Northern Ireland that currently do not have a Huntmore plc hotel [1]. By doing this Huntmore plc are increasing their market share [1] and increasing their portfolio of hotels within Northern Ireland. This will reduce the competition that they are currently up against [1]. In turn this will expand the number of customers staying in the hotels [1] taking advantage of the various services [1] and increasing the profit of the hotel group [1]. This will also make the brand of Huntmore plc more accessible to all areas of Northern Ireland [1]

Any reasonable alternative responses
AO3

[0]

The candidate's answer is not worthy of credit.

([1]–[3])

The candidate has demonstrated a **limited ability** to analyse the extension strategies for the product life cycle in relation to the group of hotels owned by Huntmore plc.

The candidate demonstrates a limited level of accuracy in spelling, punctuation and grammar. The meaning of the text is clear some of the time. The candidate demonstrates a limited level of writing, form and style appropriate to the purpose of the question. The organisation of the work is limited.

([4]–[6])

The candidate has demonstrated a **good ability** to analyse the extension strategies for the product life cycle in relation to the group of hotels owned by Huntmore plc.

The candidate demonstrates a good level of accuracy in spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a good level of writing, form and style appropriate to the purpose of the question. The organisation of the work is good.

([7]–[8])

The candidate has demonstrated an **excellent ability** to analyse the extension strategies for the product life cycle in relation to the group of hotels owned by Huntmore plc.

The candidate demonstrates an excellent level of accuracy in spelling, punctuation and grammar. The meaning of the text is always clear. The candidate demonstrates an excellent level of writing, form and style appropriate to the purpose of the question. The organisation of the work is excellent.

AO3

[8]

18

3 (a) Batch Production [1]
(1 × [1]) AO2

Huntmore plc will require several pieces of different furniture which will have to be manufactured in batches [1]. When the first set of furniture has been made, for example beds, the furniture manufacturer can move onto the next set of furniture such as chairs [1] and so on to all the furniture has been made [1]. All items in a batch are made together before the next batch or item of furniture can begin which reduces the labour costs and speeds up the production process [1]

(1 × [1]) AO2

[2]

(b) The advantages of batch production are:

- Employees can specialise to some degree [1] as they use the skills that have been used for previous manufacturing jobs [1]. This will enable the employees to show confidence in their work [1] which gives them a sense of pride and belonging to the business [1] as well as increasing their self-esteem [1]
- Machinery may be used [1] to make the production process easier for the employees [1]. It will also mean that settings for the machines for the next item to be manufactured is easier [1] which allows for a smooth transition between products [1]
- Production is faster [1] which allows the business to satisfy its customers [1], such as Huntmore plc by providing them with all their new furniture [1]. This will allow Huntmore plc to place further orders with the manufacturing firm [1]
- Labour costs are reduced so the fixed price is lower [1]. This will mean that the cost per item of furniture required by Huntmore plc for their new Pet Hotels will be much cheaper per item [1] as they have ordered a large quantity from the manufacturer [1]. It will also mean cheaper labour costs for the manufacturer, who in turn will be able to sell the item of furniture to Huntmore plc at a reduced price due to the employee carrying out the same process [1] until the entire batch has been completed [1]
- Economics of scale [1]

The disadvantages of batch production are:

- Large stocks of raw materials must be kept [1] which will mean that the furniture manufacturer will be required to purchase large quantities of raw materials so that they do not run out during the manufacturing process [1]. If this were to happen they would not be able to meet the deadline agreed with Huntmore plc for the delivery of their new furniture [1] and would lead to a dissatisfied customer [1] which could result in Huntmore plc no longer placing an order with this manufacturer [1] and the manufacturer making a loss [1]
- Additional space is required for working and storage [1] due to the large amount of raw materials that are required by the furniture manufacturer [1] as well as the warehouse for the storage of the items before they are ready for delivery [1]. This will be an additional cost for the furniture manufacturer [1] which will result in a reduced profit being made for that business [1]
- The work is less interesting than in job production and it is repetitive [1]. As the work is the same the employees are easily bored by what they have to do as it does not change very much [1]. This can lead to high absenteeism from the employees of the furniture manufacturer [1] as

		AVAILABLE MARKS
	<p>well as high labour turnover [1]</p> <ul style="list-style-type: none"> Machines may have to be re-set between batches which loses time [1] as the next item to be made may be significantly different from the previous one [1]. This will result in the loss of manufacturing time as employees are dealing with the change in settings – employees need to be trained in the change of settings so that they do not damage the equipment [1] and result in the machinery being out of action for much longer [1]. This would then result in the furniture manufacturer losing profit [1] and letting their customers down [1] <p>Any reasonable alternative responses (2 × [3]) AO2</p>	6
4	<p>(a) Human Resource Department [1] or Personnel Department [1] (1 × [1]) AO2</p>	[1]
	<p>(b) Job description: A job description is a document that is drawn up by the employer to give to a potential employee before they apply for a job [1] which defines the main duties and responsibilities for the vacant post [1] (2 × [1]) AO1</p> <p>Person specification: A person specification is a document that is drawn up by the employer to give to a potential employee before they apply for a job [1] which identifies what the ideal candidate should have for the vacant post [1]. It covers areas such as personal qualities, knowledge, qualifications, skills and previous experience [1]. The person specification will have two columns entitled essential and desirable [1] which will indicate to the applicant what the business is looking for and what they would like the ideal candidate to have [1] (2 × [1]) AO1</p>	[2]
	<p>(c) The items that should be included in a job description are:</p> <ul style="list-style-type: none"> Job title [1] Location of where the job will be – which hotel [1] List of the main duties [1] Person to whom the job holder must report [1] The names of those for whom the job holder will be responsible [1] Details of any equipment/premises, etc that the job holder will have responsibility for [1] Date of issue of the job description [1] Date of when the job description was updated [1] <p>Any reasonable alternative responses (3 × [1]) AO2</p> <p>The items that should be included in a person specification are:</p> <ul style="list-style-type: none"> Number of years experience [1] Qualifications [1] Skills [1] Qualities [1] Knowledge [1] Previous work experience [1] <p>Any reasonable alternative responses (3 × [1]) AO2</p>	[6]
		8

- (d)** The items that should be included in a job advertisement are:
- Job title [1]
 - Hours of work [1]
 - Rate of pay [1]
 - Location of job [1]
 - List of duties [1]
 - Experience [1]
 - Qualifications [1]
 - How to apply [1]
 - Closing date of application [1]
 - Contact details [1]
 - Shift work [1]
 - Permanent/Temporary [1]
 - Full-time/Part-time [1]
 - Business information [1]
- Any reasonable alternative responses
(5 × [1]) AO2 [5]
- (e)** Contract of employment [1]
(1 × [1]) AO2 [1]
- (f)** Before the interview the candidate should consider the following:
- Prepare thoroughly for the interview [1]
 - Show a genuine interest in the job [1]
 - Do some research on the company [1]
 - Dress sensibly [1]
 - Act naturally in the interview [1]
 - Arrive in good time [1]
- Any reasonable alternative responses
(3 × [1]) AO2 [3]
- (g)** Questions that an applicant for a restaurant/bar job could be asked are:
- What experience do you have working as a waiter/ress in a restaurant/bar? [1]
 - Can you outline your skills and qualities which are suitable for this post? [1]
 - Why did you apply for this post? [1]
 - What can you offer Huntmore plc? [1]
 - Where do you see yourself in 5 years? [1]
 - How would you deal with a customer who was not happy with their food? [1]
 - How would you deal with a customer who had too much to drink? [1]
- Any reasonable alternative responses
(2 × [1]) AO2 [2]
- (h)** The areas of employment legislation that Huntmore plc should be aware of when employing staff are:
- Disability [1]
 - Sex or gender [1]
 - Race [1]
 - Age [1]
 - Religion [1]
- (3 × [1]) AO2 [3]

AVAILABLE
MARKS

- (i) The benefits of training staff to Huntmore plc are:
- So that all new employees in Huntmore plc will be properly inducted into the organisation [1]. This will allow the new employee to find their feet, where to go and who to ask if there is a problem [1]
 - Employees will be equipped to manage with any changes that may occur within Huntmore plc [1]. This will show the employees that Huntmore plc are investing in their staff [1] which will encourage the staff to remain within the company [1]
 - The employees will have up-to-date skills [1] that can be used to aid them complete their job [1]
 - All employees will have the correct information which is required for the introduction of new methods that are to be introduced to Huntmore plc [1]. Therefore providing the employees with the confidence to carry out the new aspect of their work [1]
 - Producing a highly trained workforce [1] which will be more effective and efficient [1] during the working activity
 - Huntmore plc will have a much more effective group of employees [1] as their training will improve the quality of their work [1]. This will lead to very satisfied customers [1] which will result in higher sales of rooms, restaurant bookings and bar takings [1] and therefore increased profits [1]
 - It will assist the employees within Huntmore plc to be ahead of their competitors [1] in the area of their 20 hotels [1]. Providing a top class service for all customers will encourage the guests of the 20 hotels to return [1] and recommend the hotel/s to their family and friends [1]
 - The employees will be much more motivated [1] at work so they can be much more happy at what they are doing everyday [1]. This may be a means of encouraging their colleagues [1]
 - Training will decrease the possibility of accidents happening within the group of 20 hotels [1] as all employees will be totally aware of the nature of their jobs [1]
 - The need for supervision of the employees will also be reduced [1] as they have passed their training course [1] which gives Huntmore plc a great sense of trust and satisfaction [1] with all of their employees. This allows the managers to concentrate on other areas of the business [1]
 - Having a very well trained group of employees will reduce the risk of redundancy [1]. Therefore proving to Huntmore plc that the cost of training is extremely beneficial [1] as customers are continuously coming back to their hotels [1] as the employees are carrying out an excellent job [1] of satisfying the customer [1]
 - As the employees can be multi-skilled they are much more flexible [1] and can carry out a number of jobs within Huntmore plc [1]. This will also ensure they have job security [1]
 - The opportunities for promotion [1] for Huntmore plc employees will be much greater due to the continuous training that they have been receiving for the company. This is due to the various skills that they now have due to their training [1] and becoming highly trained and professional employees [1]
 - Huntmore plc will have an extremely good reputation [1] within the area in which the hotels are located as an employer [1] and with local competitors [1] as they have invested heavily in their employees [1], making them the best that they can be and what customers have come to expect from the staff in each of the 20 hotels [1]

Any reasonable alternative responses

AO3

[6]

- (j) Internal recruitment is when an organisation such as Huntmore plc wishes to promote a current member of staff to a higher position from within the business [1]. This can be by memorandum/memo, company newsletter, a notice on the notice board or by email [1]

The advantages of internal recruitment are:

- The employees/applicants are familiar with Huntmore plc [1] and therefore know the policies and procedures of the organisation [1]
- It is providing the current employees with the opportunity for promotion [1] allowing the staff to move up the organisational structure [1]. This provides Huntmore plc employees with increased motivation [1]
- The morale of staff improves [1] as they feel valued by the opportunity of promotion [1] which also increases motivation [1]
- To promote staff internally will be much cheaper [1] for Huntmore plc compared to external recruitment [1] allowing the necessary staff who are currently employed by Huntmore plc to take advantage of promotion [1]
- The procedure for internal recruitment is much simpler [1] as Huntmore plc will know its employees and those who are capable of promotion/ additional responsibility [1]
- The process of internal recruitment will take a shorter time to complete [1] as Huntmore plc will not have as many activities/procedures to go through compared to external recruitment [1]

The disadvantages of internal recruitment are:

- The range of applicants is limited [1] as Huntmore plc are only offering the job vacancy to those who are currently employed within the company [1]
- Using internal recruitment does not allow for new ideas or skills [1] to come into Huntmore plc as the current employees may not see beyond the current company procedures [1]
- If some current employees were not promoted this could lead to discontentment [1] as one colleague was promoted over the other [1]. This would not be good for the morale of some staff [1] and therefore staff who do not get the vacant position should be prepared for the disappointment [1]
- Training would be required for the promoted member of staff [1] specific to the new post. This would take time [1] and cost Huntmore plc money [1] as well as a loss in production [1]
- An internal appointment would create a job vacancy [1] which would be required to be advertised externally [1]. This may cause some friction in the department between staff members of Huntmore plc [1] as they may find it difficult to complete their targets on time [1] and lose out on bonuses [1]

External recruitment is when a job vacancy is advertised outside of the business [1]. This would be in a newspaper, internet, job centre or recruitment agency, etc [1]. The reasons for doing this may include:

- Not having a suitable employee within Huntmore plc [1]
- None of the current employees within Huntmore plc are interested in the job vacancy [1]
- That Huntmore plc may wish to introduce new blood/thinking into the business [1] for new ideas and up-to-date training [1]
-

The advantages of external recruitment are:

- Huntmore plc would have a much larger and wider variety of applicants to choose from for the vacant post [1]
- This allows for new skills and ideas to be brought into Huntmore plc [1]
- It will avoid jealousy among the existing staff members within Huntmore plc [1] which will allow staff to continue with their jobs [1] and no resentment between employees [1]
- As a result there would be no other staff vacancies created [1] which would be the case if internal recruitment were to have been used [1]
- Fully trained staff may be appointed by Huntmore plc [1] and this would mean a saving on expenses [1] for Huntmore plc as well as training [1] due to the new applicant having the relevant criteria for the new job [1]

The disadvantages of external recruitment are:

- The new applicant would not be familiar with the current procedures used within Huntmore plc [1]. This would mean that the new employee would have to become familiar with what takes place in their new place of work, Huntmore plc [1] which may take time [1]
- The opportunity for jobs/promotion are not available/created within Huntmore plc [1] for existing employees which can lead to high absenteeism [1] and high staff turnover [1]
- As staff are not given the opportunities they may feel undervalued [1] which can lead to very low staff morale [1] and unhappiness at work [1]. This may lead to staff not meeting their target [1] and therefore losing profit [1] for Huntmore plc
- This is a slow process [1] in order to gain the correct applicant to fulfil the vacant post other than using internal recruitment [1] as Huntmore plc must follow the correct/many procedures [1]
- Some external recruitment methods are very expensive [1] which will increase costs [1] and in turn reduce profits [1] for Huntmore plc

Any reasonable alternative responses

AO3

[0]

The candidate's answer is not worthy of credit.

([1]–[3])

The candidate has demonstrated a **limited ability** to evaluate a method of recruitment for Huntmore plc when employing staff.

The candidate demonstrates a limited level of accuracy in spelling, punctuation and grammar. The meaning of the text is clear some of the time. The candidate demonstrates a limited level of writing, form and style appropriate to the purpose of the question. The organisation of the work is limited.

([4]–[6])

The candidate has demonstrated a **good ability** to evaluate a method of recruitment for Huntmore plc when employing staff.

The candidate demonstrates a good level of accuracy in spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a good level of writing, form and style appropriate to the purpose of the question. The organisation of the work is good.

([7]–[8])

The candidate has demonstrated an **excellent ability** to evaluate a method of recruitment for Huntmore plc when employing staff.

The candidate demonstrates an excellent level of accuracy in spelling, punctuation and grammar. The meaning of the text is always clear. The candidate demonstrates an excellent level of writing, form and style appropriate to the purpose of the question. The organisation of the work is excellent.

AO3

[8]

AVAILABLE
MARKS

39

5 (a)

Cash Flow Forecast for one of the Pet Hotels (Huntmore plc), for the three month period July – September 2016			
	July	August	September
	£	£	£
Opening Bank Balance	0 [1]	0	5250
RECEIPTS			
Accommodation	10 000	12 000	8000
Restaurant Income	5600	7100	4000 [1]
Bar Income	3400	3400	3000 [1]
TOTAL RECEIPTS	19 000 [1]	22 500 [1]	15 000 [1]
PAYMENTS			
Staff Wages	6000	7500	5000
Heating	3000	3000	4000
Insurance	1500	1500	1500
Food Supplies	1500	2000	1250
Beverage Supplies	2000	2000	2000 [1]
Advertising	5000	1250	0 [1]
TOTAL PAYMENTS	19 000 [1]	17 250 [1]	13 750 [1]
Closing Bank Balance	0 [1]	5250 [1]	6500 [1]

(14 × [1]) AO1 and AO2

[14]

(b) The closing bank balance figures for Huntmore plc show:

- A positive closing bank balance [1]
- An increase in the bank account balance each month [1]
- That Huntmore plc do not need to borrow money in the short term as it does not have a negative bank balance [1]
- A successful three months of predicted trading for Huntmore plc [1]
- The first month has closed with a zero bank balance as receipts (money in) are the same as payments (money out) which may result in a short term source of finance – overdraft [1]. This was mainly due to the high advertising cost of £5000 for this month [1]

(3 × [1]) AO3

[3]

17

6 Huntmore plc could benefit from social enterprise in the following ways:

(6 × [1]) AO2

- Using fair trade coffee and tea in their restaurants and bars [1]. This would ensure that those people employed in the countries where tea and coffee are grown would be paid correctly [1]
- Employ local teenagers who have been involved in trouble by the police [1] from the area in which the hotel is situated to work in the hotel by providing them with training for a particular job [1]
- Operate a programme that will aid those in the community who have been victims of discrimination [1] (disability, racism, learning difficulties, etc) to feel part of their community [1] and giving them a purpose in life [1]
- To train long term unemployed [1] in areas of the hospitality industry so that they can find a career that is suitable to them to provide an income to allow them to survive in a better manner within their community [1]
- Using only Northern Ireland approved meat and produce [1] in their restaurants so that this group of hotels are supporting the economy in which they live [1]. It is important for the Northern Ireland economy and local farmers/producers to know that such a large company are prepared to support their local producers/market [1]. This could also involve the use of locally produced cheese, jams, chutneys and craft [1]

Any reasonable alternative responses

AO3

[0]

The candidate's answer is not worthy of credit.

[(1)–(2)]

The candidate has demonstrated a **limited ability** to discuss the role of social enterprise and how it would be implemented by Huntmore plc.

The candidate demonstrates a limited level of accuracy in spelling, punctuation and grammar. The meaning of the text is clear some of the time. The candidate demonstrates a limited level of writing, form and style appropriate to the purpose of the question. The organisation of the work is limited.

[(3)–(4)]

The candidate has demonstrated a **good ability** to discuss the role of social enterprise and how it would be implemented by Huntmore plc.

The candidate demonstrates a good level of accuracy in spelling, punctuation

and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a good level of writing, form and style appropriate to the purpose of the question. The organisation of the work is good.

([5]–[6])

The candidate has demonstrated an **excellent ability** to discuss the role of social enterprise and how it would be implemented by Huntmore plc.

The candidate demonstrates an excellent level of accuracy in spelling, punctuation and grammar. The meaning of the text is always clear. The candidate demonstrates an excellent level of writing, form and style appropriate to the purpose of the question. The organisation of the work is excellent.

AO3

[6]

Total

**AVAILABLE
MARKS**

6

100