

**GCSE**

**Applied Business**

Unit **A241**: Business in Action

General Certificate of Secondary Education

**Mark Scheme for June 2014**

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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.

OCR will not enter into any discussion or correspondence in connection with this mark scheme.

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These are the annotations, (including abbreviations), including those used in scoris, which are used when marking

Annotation	Meaning of annotation
	Blank Page – this annotation must be used on all blank pages within an answer booklet (structured or unstructured) and on each page of an additional object where there is no candidate response.
	Unclear
	Benefit of doubt
	Context
	Level 1
	Level 2
	Level 3
	Not answered question
	Repeat
	Noted but no credit given
	Too vague
	Tick
	Development of point
	Own figure rule
	Cross

Here are the subject specific instructions for this question paper

### Subject-specific Marking Instructions

#### Application marks (AO2)

Application marks are available for **application of knowledge**. The application marks would be gained by explaining how a business may react, the implications of their theoretical suggestion or reasons why it is a good/bad idea. Context is not needed.

Application marks are also awarded if the candidate **applies their knowledge in the context** of the case study business or their chosen business. It will be clear in the question which business they should refer to. On occasion candidates may be asked to apply their answer to a business 'such as' (usually then naming the case study business) this allows candidates to apply their knowledge in the context of a similar business. The business could be similar in terms of the ownership, size of the business, sector in which it operates or the service it provides/ products it produces. The mark scheme will clearly show whether the application marks are for application in context or application of knowledge.

#### 10 mark questions

**Level 1** marks are awarded for showing knowledge.

**Level 2** marks are awarded for application and are now split into 3-4 marks and 5-6 marks.

**3-4 marks** - Application marks are available for **application of knowledge**. The application marks would be gained by explaining how a business may react, the implications of their theoretical suggestion or reasons why it is a good/bad idea. Context is not needed.

**5-6 marks** are awarded if the candidate **applies their knowledge in the context** of the case study business or their chosen business.

Specific guidance will be given within the mark scheme as to what is needed to access 5 marks.

It must be clear that the candidate is applying their answer to the case study business or a business they have studied to move above L2 4 marks. An applied answer can go straight to L2 as it is not expected that the candidate includes theory in their answer.

Start by checking the candidate's answer for context. Once you have found context in the answer then it can gain at least 5 marks.

Context only has to be hit once to reach this level (level 2 descriptor also has to be met to reach level 2).

**Level 3** marks are awarded for analysis and evaluation. The candidate has to have previously correctly applied their knowledge in the context of the case study in order to achieve level 3.

**7 – 8 marks** are awarded for analysis based on previous application in context.

**9 – 10 marks** are awarded for evaluation based on previous analysis.

**12 Quality of Written Communication (QWC)**

10 mark questions have QWC embedded in the levels. Below are the full descriptors for requirements to meet the level with regard to QWC.

**Level 3** - Candidate shows ability to present relevant material in a well planned and logical sequence. Material is clearly structured using appropriate industry terminology confidently and accurately. Sentences, consistently relevant, are well structured in a way which directly answers the question. There will be few, if any, errors of grammar, punctuation and spelling.

**Level 2** - Candidate shows ability to present relevant material in a planned and logical sequence. Appropriate industry terminology is used. Sentences, for the most part, are presented in a balanced, logical and coherent manner which addresses the question. There will be occasional errors of grammar, punctuation and spelling.

**Level 1** - Candidate shows ability to communicate at least one point using some appropriate industry terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of the question. Errors of grammar, punctuation and spelling may be noticeable and intrusive.

Question		Answer/Indicative content	Mark	Guidance
1	a	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Type of business organisation</b></p> <p>Sole trader</p> <p>Private limited company</p> <p>Partnership</p> <p>Charitable organisation</p> </div> <div style="width: 45%;"> <p><b>Feature of business organisation</b></p> <p>Usually run by trustees</p> <p>Usually owned by up to 20 partners</p> <p>Shares often sold to family and friends</p> <p>Shares can be bought and sold on the Stock Exchange</p> <p>Owned and run by one individual</p> </div> </div>	4	One mark for each correct identification up to a maximum of four identifications
1	b	<p>Possible responses may include:</p> <ul style="list-style-type: none"> <li>• tertiary sector</li> <li>• garage</li> <li>• car repair/maintenance/mechanic</li> <li>• service sector</li> </ul>	1	<p>For one mark.</p> <p>Do <b>not</b> allow primary or secondary</p>

Question		Answer/Indicative content	Mark	Guidance
1	c	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>Paperwork / filing</li> <li>Profit and loss account</li> <li>Budgets</li> <li>Updating ICT system</li> </ul> <p><u>Exemplar responses:</u></p> <ul style="list-style-type: none"> <li>Answering the reception phone is carried out by the administration functional area, so Lucy would do this.(1) There will always be someone manning the phones and transferring calls to the relevant department (1)</li> <li>All general filing is carried out by the administration functional area.(1) Lucy makes sure that all paperwork is filed away alphabetically so it can easily be found if needed (1).</li> </ul>	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two descriptions.</p> <p>Accept anything other than car repair or marketing from this case study.</p> <p>Needs to come specifically from ICT/admin/ finance functional areas.</p> <p>Just mentions 'using a computer to....' This is too vague.</p> <p>Must describe how this task is completed.</p>
1	d	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>Promotion</li> <li>Market research</li> <li>Deciding prices</li> </ul> <p><u>Exemplar responses</u></p> <ul style="list-style-type: none"> <li>Advertising the garage will be Alma's task. (1) She will contact local newspapers to place advertisements if the garage wants to attract more customers (1).</li> <li>If the garage sells cleaning products to its customers Alma will create a loyalty scheme (1) so that Carr Care increases its sales (1).</li> </ul>	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two descriptions.</p> <p>Accept all relevant tasks related to marketing. Both tasks can come from the same area ('P') of marketing.</p> <p>Must describe how this task is completed.</p>

Question		Answer/Indicative content	Mark	Guidance
1	e	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• The process of recruiting suitable candidates for the organisation</li> <li>• Identifying and meeting the training needs of existing staff</li> <li>• Ensuring employee welfare and employee relations are positive</li> <li>• Ensure the working environment is safe for employees</li> <li>• Raising awareness of current workplace legislation</li> </ul> <p><u>Exemplar responses</u>  Name of business: Tesco  Activity of business: Retail</p> <ul style="list-style-type: none"> <li>• The purpose of human resources at Tesco is to make sure that there are enough employees in the store at any one time (1) so that all customers receive the service they expect (1)</li> <li>• Human resources at Tesco need to make sure that all employees are given the correct terms and conditions (1) so that they are happy to work and provide a good service to the customers (1).</li> </ul>	2	<p>One mark for a correct identification plus a further one mark for a description</p> <p>Any Human Resources purpose acceptable</p> <p>Must describe the purpose <b>not</b> the task. Max 1 mark if identifies a function of HR.</p> <p>Describes how or why.</p>
1	f	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• Task completed twice</li> <li>• Task not completed</li> <li>• Inefficiency</li> <li>• Communication breakdown</li> </ul> <p><u>Exemplar responses</u></p> <ul style="list-style-type: none"> <li>• If the functional areas do not operate efficiently then Carr Care could lose money. (1) This is because the same task might be done by two different functional areas (1)</li> <li>• If they did not operate efficiently tasks might be overlooked as areas are not communicating with each other (1). This could lose customers (1).</li> </ul>	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Beware of repetition – consequence must be different</p> <p>Application of knowledge.</p> <p>Can answer from the angle of one functional area not working or all areas in general not working well.</p>



Question			Answer/Indicative content	Mark	Guidance
			<ul style="list-style-type: none"> <li>• Carr Care could get a bad reputation if the functional areas do not operate efficiently (1) because customers are not getting the service which they expect. (1)</li> <li>• The functional areas need to work efficiently in order to save the business money, (1) as if they did not work together something might get done twice and so cost the business extra money (1).</li> <li>• The functional areas need to work efficiently so that they do not miss opportunities (1). Jobs might not get done at all and the customers then might not know about any new deals (1).</li> </ul>		
2	a	i	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• Everyone knows what they are doing</li> <li>• Common goal</li> <li>• Help to set targets</li> <li>• Improves motivation</li> </ul> <p>Exemplar responses</p> <ul style="list-style-type: none"> <li>• When the partners of Carr Care set aims, it gives a framework for everyone to work within. (1) All of the family and employees know what the garage is trying to achieve (1).</li> <li>• The garage will now have a focus (1) so that objectives can be set to make sure that the aims are met (1).</li> </ul>	2	<p>One mark for a correct identification, plus a further one mark for an explanation.</p> <p>Can award 2 x 1 mark.</p>
2	a	ii	<p>Possible responses may include:</p> <ul style="list-style-type: none"> <li>• growth/expansion</li> <li>• make a profit</li> <li>• be more successful</li> <li>• survive</li> <li>• being competitive</li> <li>• be more enterprising</li> <li>• being environmentally friendly/being sustainable</li> </ul>	1	<p>For one mark</p> <p>Must be specific. Can turn one of the suggestions from text 2 into an aim but must show the intention of doing something.</p>

Question		Answer/Indicative content	Mark	Guidance
2	b	<p>Exemplar response</p> <p>Development which meets the needs of the present (1) without compromising the ability of future generations to meet their own needs (1)</p>	2	<p>Up to two marks. Definition required. This question is not about the business being able to survive.</p> <p>Basic definition (1) Full definition (2).</p> <p>For two marks the answer must mention the future.</p>
2	c	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• Convert to biofuel</li> <li>• Install solar panels on garage roof</li> <li>• Implement new sustainability policy</li> <li>• Energy efficiency</li> <li>• Recycle</li> <li>• Reduce</li> <li>• Reuse</li> </ul> <p>Exemplar responses</p> <p>Turn off all equipment when not in use. (1) This will save money on electricity bills and also not wear out the machines as quickly</p> <p>Let its customers and suppliers know it is committed to sustainability. (1) This means it will only deal with businesses that believe the same as it. (1)</p> <p>Invest in energy efficient equipment. (1) This will help to reduce its running costs and so they can pass this onto its customers (1).</p>	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two descriptions.</p> <p>Beware of repetition – do not allow 2 examples of recycling.</p>
2	d	<p>Possible responses may include:</p> <ul style="list-style-type: none"> <li>• taking part in new projects</li> <li>• being flexible in the way you work.</li> <li>• personal promotion of Carr Care/ personal recommendation</li> <li>• becoming a partner in the business</li> <li>• being innovative/ showing your initiative</li> <li>• taking risks.</li> </ul>	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Do <b>not</b> accept making suggestions or anything that would be in an employee's contract.</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
2	e	*	<p>Increasing sales could be achieved by introducing a loyalty scheme as this would mean customers would keep coming back (L2). This could lead to an increase in profits if Carr Care is able to keep its costs down (L2). An improved reputation would be good for Carr Care as people would be recommending it to their friends and this is free advertising (L2) which could bring in more customers and thus increase sales further (L3). Out of the three benefits I think this will increase sales and profits and have the biggest impact on Carr Care because it will be able to expand the business and introduce more ideas which will then lead to it gaining a good reputation (L3). I rejected late night opening because I don't think people would want to sit and wait for their car to be fixed late at night. They can drop their car off in the evening and pick it up the next evening anyway. I also rejected use more ICT as this is costly to install and train the staff to operate it. As it is a small business I don't think they can justify the expense at this stage. It would not bring in any more money to the business (L3). The last option I rejected was running the maintenance courses. At the moment I feel the business needs to be good at its core activities and think about taking on more enterprising projects in the future.</p>	10	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>increased market share as a result of innovative marketing methods</li> <li>increased sales because employees/partners have come up with new ideas</li> <li>employees/partners being flexible meaning that work can be completed in less time and so improves the reputation</li> </ul> <p>Each of these impacts could have the biggest impact on Carr Care, need to justify answer.</p> <p><b>Context</b> The context for this question comes from the candidates writing about the different options.</p> <p>It must be clear that the candidate is applying their answer to Carr Care to move above Level 2 4 marks. An applied answer can go straight to Level 2 as it is not expected that the candidate includes theory in their answer.</p> <p>For 10 marks, the suggestion which would have the biggest impact on Carr Care must be evaluated and the reason(s) why</p>	<p><b>Level 3 (7-10 marks)</b> Candidate makes reasoned judgements and presents appropriate conclusions of the possible impacts on Carr Care of becoming more enterprising. <b>10 marks</b> – makes decision and analyses their chosen suggestion. They explain why they have rejected the 3 other suggestions <b>9 marks</b> – a minimum of three suggestions need to be analysed. <b>8 marks</b> – a minimum of two suggestions need to be analysed. <b>7 marks</b> – one suggestion needs to be analysed.</p> <p><b>Level 2 (5-6 marks)</b> Candidate applies knowledge about impact on Carr Care of becoming more enterprising. <b>6 marks</b> – impact of two suggestions needs to be developed in context. <b>5 marks</b> – impact of one suggestion needs to be explained in context.</p> <p><b>Level 2 (3-4 marks)</b> Candidate applies knowledge about impact of becoming more enterprising. (No context needed). <b>4 marks</b> – an explanation of two possible impacts on the business</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
					<p>the other suggestion would not have the biggest impact need to be explained.</p> <p>0 marks = no response or response does not address the question.</p>	<p>of becoming more enterprising <b>or</b> one impact developed.  <b>3 marks – explanation</b> of one impact (no development).</p> <p><b>Level 1 (1-2 marks)</b>  Candidate shows knowledge of impact of becoming more enterprising. (No context needed).  <b>2 marks</b> – shows some development of knowledge of impact of becoming more enterprising.  <b>1 mark</b> – identifies impact of becoming more enterprising.</p>

Question		Answer/Indicative content	Mark	Guidance
3	a	<p>Indicative content: The characteristics that are protected by the Equality Act 2010 are: age, disability, gender identity and gender reassignment, marriage or civil partnership (in employment only), pregnancy and maternity, race, religion or belief, sex, sexual orientation.</p> <p>Exemplar responses</p> <ul style="list-style-type: none"> <li>• Not to be discriminated against because of their age (1) so an employer cannot say you are 65 and too old to do this job so I am dismissing you (1).</li> <li>• Not to be discriminated against because they are pregnant (1) so an employer cannot say I am not going to give you a promotion because you are going on maternity leave soon (1).</li> <li>• Not to be discriminated against because of their gender(1) so a woman cannot be turned down for a job as a labourer on a construction site because the manager thought women were not physically strong enough for such work (1).</li> </ul>	6	<p>One mark for each correct identification of a characteristic protected by the Equality Act up to a maximum of three identifications, plus a further one mark for each of three explanations.</p> <p>General comments about must be treated fairly/not be discriminated against can score a maximum of 1 mark.</p>
3	b	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• workload</li> <li>• favouring one person over the other</li> <li>• terms and conditions</li> <li>• expectations</li> <li>• stakeholder interest</li> </ul> <p>Exemplar responses</p> <ul style="list-style-type: none"> <li>• There might be conflict because the employees work set hours and the partners are expected to keep working until all the work is done,(1) so they feel that the employees are not doing their fair share (1).</li> </ul>	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Explains how or why.</p>

Question	Answer/Indicative content	Mark	Guidance
	<ul style="list-style-type: none"> <li>If there is a problem the employees leave at the end of the day but the partners have to stay on, (1) even though they are all in the same family. This could cause conflict (1)</li> </ul>		

Question			Answer/	Marks	Guidance	
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3	c	*	<p>Exemplar response:</p> <p>Name of business: Tesco Activity of business: retail</p> <p>Tesco has many different stakeholder groups and they will all want different things. The employees will want job security and a good working environment and good pay if Tesco does not give this, then employees will not be happy and might leave (L2). When it is trying to expand it is not good to have a lot of staff leaving because it has to keep training new ones and this can cost a lot of money (L3). It needs continuity. The shareholders will want to take a big dividend rather than have all the profits put into the expansion. If they do not get a big dividend they might sell their shares. (L2) This could make Tesco look bad and people lose confidence in the business (L2). The local community will want jobs from Tesco but not a lot of noise or pollution from a lot of delivery lorries. If the local community complains, Tesco must</p>	10	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>employees – want to keep their jobs, do not like change, change of role</li> <li>shareholders – want dividends, not all of the profits ploughed back into the business</li> <li>employers/managers – want to make sure their jobs are safe and that the owners are listening to their needs</li> <li>local community – peace and quiet, but also jobs</li> <li>pressure groups/trade unions – campaign to protect employees' rights</li> <li>government – extra tax from profits, make sure Tesco works within the law</li> </ul>	<p>It must be clear that the candidate is applying their answer to their chosen business to move above Level 2 4 marks. An applied answer can go straight to Level 2 as it is not expected that the candidate includes theory in their answer.</p> <p><b>Level 3 (7-10 marks)</b> Candidate makes reasoned judgements and presents appropriate conclusions as to the consequences to their chosen business of not listening to its stakeholder groups. Must mention specific stakeholder groups. <b>10 marks</b> – makes a judgement about the magnitude of the consequences. <b>9 marks</b> – minimum three consequences analysed. <b>8 marks</b> – minimum two consequences analysed. <b>7 marks</b> – one consequence analysed.</p>

Question			Answer/	Marks	Guidance	
					Content	Levels of response
			listen because they could set up a pressure group and get bad publicity for Tesco (L2). If Tesco do not listen to its customers it might expand the business in a way that the customers do not want or need (L2) and this could end up losing it more money (L3).		<ul style="list-style-type: none"> <li>conflict between owners and other stakeholder groups.</li> </ul> <p><b>Context</b> Specific stakeholder groups.</p>	<p><b>Level 2 (5-6 marks)</b> Candidate applies knowledge about the consequences to their chosen business of not listening to its stakeholder groups. Must mention specific stakeholder groups. <b>6 marks</b> – minimum two consequences need to be explained in context. <b>5 marks</b> –one consequence needs to be explained in context.</p> <p><b>Level 2 (3-4 marks)</b> Candidate applies knowledge about the consequences to a business (context not required) of not listening to its stakeholder groups. Must mention specific stakeholder groups. <b>4 marks</b> – an explanation of two consequences <b>or</b> one consequence developed. <b>3 marks</b> – <b>explanation</b> of one consequence (no development).</p> <p><b>Level 1 (1-2 marks)</b> Candidate identifies consequences to a business of not listening to its stakeholders. Specific stakeholder groups not required.</p>

Question			Answer/	Marks	Guidance	
					Content	Levels of response
						<p><b>2 marks</b> – shows some development of knowledge of consequences of not listening to stakeholders</p> <p><b>1 mark</b> – identifies consequences not listening to stakeholders</p> <p><b>0 marks</b> = response does not address the question.</p>

Question		Answer/Indicative content	Mark	Guidance
4	a	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>to communicate</li> <li>to produce spreadsheets</li> <li>to monitor stock levels</li> <li>to record customer information</li> </ul> <p>Exemplar responses</p> <p>Name of business: Springer Office Furniture Activity of business: Manufacturer of office furniture</p> <ul style="list-style-type: none"> <li>Springer Office Furniture does direct marketing to all of its customers and uses a customer database to send out fliers (1) meaning that everyone gets to know about the product (1).</li> <li>Springer Office Furniture has set up a website (1) to promote the business and all of its products to the general public. This makes the business more professional. Springer Office Furniture makes sure that when someone searches Google then Springer Office Furniture's name will be at the top of the list</li> <li>Springer Office Furniture has designed all of its advertising booklets and leaflets using ICT (1). It is then very easy to print off another copy of the booklet to send to someone (1).</li> </ul>	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two descriptions.</p> <p>Describes how or why.</p>



Question			Answer	Marks	Guidance	
					Content	Levels of response
4	b	*	<p>Exemplar response:</p> <p>Name of business: ABC Corner Shop Activity of business: Retail</p> <p>This business has recently installed a new stock monitoring systems which allows it to see at a click what it has in the shop, the value of the stock and what it needs to order (L1). This has meant that the owner no longer needs to physically count the stock and make calculations, (L2) which saves time. It does not over order stock (L2) so that there is less wastage (L3). The owner can also see the stock in all of the shops (L2). The equipment was very expensive (L2) and it meant that the owner could not make other improvements to the shops (L2). In conclusion, the new stock monitoring systems give the owner more time to focus on other aspects of business practice (L3) and hopefully will enable the business to expand/become more profitable (L3). On balance, I think the money spent on this ICT equipment was worthwhile because in the long run, the corner shop will be able to save time and money when the system works effectively.</p>	10	<p>Indicative content:</p> <p>This question is not about what currently exists in the business in terms of ICT. <b>It is upgrading the current provision – there needs to be evidence of a change taking place.</b></p> <p>Potential drawbacks:</p> <ul style="list-style-type: none"> <li>• Cost of equipment and training</li> <li>• Time to familiarise with system</li> <li>• Resistance to change</li> <li>• Incompatible systems</li> </ul> <p>Potential benefits:</p> <ul style="list-style-type: none"> <li>• Faster systems</li> <li>• Increased efficiency</li> <li>• More information to analyse</li> <li>• Less staff costs as machines can do more of the work</li> </ul> <p><b>Context</b> Specific future ICT provision.</p>	<p>It must be clear that the candidate is applying their answer to the business they have studied to move above Level 2 4 marks. An applied answer can go straight to Level 2 as it is not expected that the candidate includes theory in their answer.</p> <p><b>Level 3 (7-10 marks)</b> Candidate makes reasoned judgements and presents appropriate conclusions of the benefits and drawbacks to their chosen business of <b>upgrading its current</b> ICT equipment.</p> <p><b>10 marks</b> – makes decision and fully justified. <b>9 marks</b> – analyses benefits and drawbacks. <b>8 marks</b> – minimum two benefits and/or drawbacks analysed. <b>7 marks</b> – one benefit and/or drawback analysed.</p> <p><b>Level 2 (5-6 marks)</b> Candidate applies knowledge about the benefits and drawbacks to their chosen business of <b>upgrading its current</b> ICT equipment. Must be in the future. <b>6 marks</b> – benefits and drawbacks need to be developed in context.</p>

Question			Answer	Marks	Guidance	
					Content	Levels of response
						<p><b>5 marks</b> – benefits and/or drawbacks needs explaining in context</p> <p><b>Level 2 (3-4 marks)</b> Candidate applies knowledge about the benefits and drawbacks to a business (no context required) of upgrading its ICT equipment. Can be in the past – ie:something the business has already done.</p> <p><b>4 marks</b> – an explanation of benefit and drawback to a business of upgrading its current ICT equipment.</p> <p><b>3 marks</b> – <b>explanation</b> of benefit and/or drawback to a business of upgrading its current ICT equipment.</p> <p><b>Level 1 (1-2 marks)</b> Candidate identifies the benefits and drawbacks to a business of ICT equipment.</p> <p><b>2 marks</b> – identifies benefits and/or drawbacks.</p> <p><b>1 mark</b> – identifies a benefit and/or a drawback.</p> <p><b>0 marks</b> = response does not address the question.</p>

Question			Answer/Indicative content	Mark	Guidance
4	c	i	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>take out more loans</li> <li>save less money</li> <li>spend more money</li> </ul> <p>Exemplar responses</p> <ul style="list-style-type: none"> <li>The partners could decide to invest in a new project (1) because if they needed a loan to do this it would cost less money (1)</li> <li>The partners could run a saving scheme (1) so that customers pay a bit each month for their car maintenance to spread the cost, as they are likely to be saving less elsewhere in light of lower interest rates (1)</li> </ul>	2	<p>One mark for identification plus a further one mark for an explanation. This mark must link to interest rates.</p> <p>Question is about how Carr Care <b>could react</b>.</p>
4	c	ii	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>reduce prices</li> <li>more marketing</li> <li>set up work experience/apprenticeships</li> <li>decrease wages</li> <li>marketing to unemployed people</li> </ul> <p>Exemplar responses</p> <ul style="list-style-type: none"> <li>The partners could run an advertising campaign for the car maintenance course (1) this may help to attract more people as they now cannot afford to have maintenance done by the garage (1).</li> <li>If Carr Care is looking to recruit a new mechanic it may be able to ask for higher qualifications (1) as well trained mechanics may now be unemployed (1).</li> </ul>	2	<p>One mark for identification plus a further one mark for an explanation. This mark must link to unemployment.</p> <p>Question is about how Carr Care <b>could react</b>.</p> <p>Do not accept – Carr Care will create more jobs.</p>

Question		Answer/Indicative content	Mark	Guidance
4	d	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>lose market share</li> <li>decrease sales</li> <li>decrease profit</li> <li>business will be unable to expand/improve</li> <li>get left behind/miss out on something</li> <li>stay the same (see text box for Carr Care)</li> </ul> <p>Exemplar responses</p> <ul style="list-style-type: none"> <li>Carr Care could fall behind its competitors (1) this could mean that it loses profit as customers don't want their services (1).</li> <li>Customers might go somewhere else because they think other businesses are more up to date (1) so Carr Care might lose market share (1)</li> </ul>	2	One mark for identification plus a further one mark for an explanation. Or two separate points can be rewarded.

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