

Business Studies Specification B

General Certificate of Secondary Education **GCSE 1952**

Mark Schemes for the Units

June 2006

1952/MS/R/06

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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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GCSE Business Studies B - 1952

MARK SCHEMES FOR THE UNITS

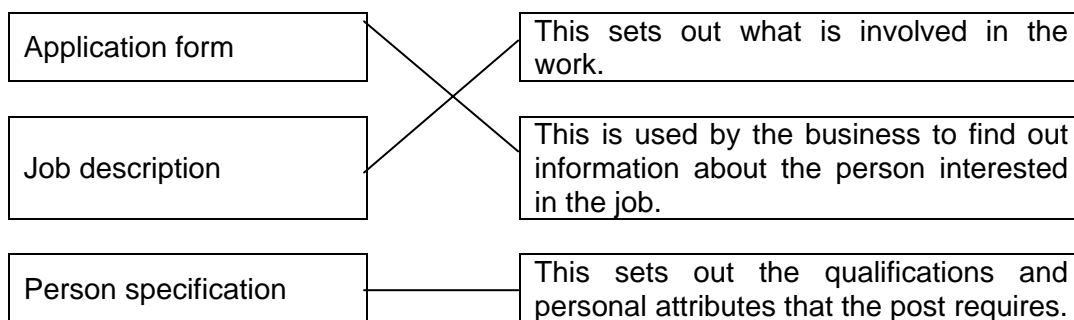
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Mark Scheme 2321/01
June 2006

- 1 (a) **Target: Knowledge and understanding of type of business activity.**
 'Manufactures goods'
 Mark only the first 'tick'. [1]
- (b) **Target: Knowledge and application of reasons for business activity.**
- (i) Statement 1 [1]
- (ii) Statement 3 [1]
- (iii) Candidates may mention: 'otherwise they won't buy them [1] and the firm will go out of business [1]'. 'because they will sell more [1] and then the firm will make more profit [1]'.
 Award any valid point and give 1 extra mark for sensible development. [2]
- (c) **Target: Knowledge and application of production technology.**
 Candidates may mention: speed and/or accuracy of design; easier application; more accurate production; reduction in labour force; fewer errors from design to production; etc.
 Allow 1 mark for each point and 1 mark for development. 2 x 2 [4]
- (d) **Target: Ability to show, apply, analyse and evaluate knowledge and understanding of management of production.**
- (i) Division of labour is where work is organised so that workers can **specialise [1]** and become more **efficient [1]**. [2]
- (ii) Answers will clearly depend on the business chosen and the candidates' understanding of division of labour.
 Answers that do not specify a business cannot go beyond the bottom of the appropriate level.
- Level 3 [4-6 marks]**
 Candidates are able to offer discussion and, above the bottom, to reach a supported conclusion. Candidates at the top will make good reference to their business.
- Level 2 [2-3 marks]**
 Candidates can offer some analysis. Those at the top will make sensible reference to their business. Answers where division of labour is not clearly understood will be at the bottom of this level.
- Level 1 [1 mark]**
 Candidates can offer some application to their business. [6]

Total Q1 = [17]

2 (a) **Target: Knowledge and understanding of recruitment.**



[3]

(b) **Target: Knowledge and application of training.**

Candidates may mention: more likely to attract good applicants; ensures personnel keep up-to-date; makes them appear to be a good employer (IIP); improve quality; service; etc.

Award any valid idea.

Give 1 mark for each reason and 1 mark for each development. 2 x 2

[4]

(c) NB 'how effective' and 'suitable people'.

Candidates are likely to treat this holistically so be prepared to give all the marks for a good answer.

Level 2 [4-5 marks]

Candidates can offer analysis and evaluation addressing how effective the advertisement would be in attracting suitable people. Max 4 if only one of 'effective' or 'suitable' is addressed.

Level 1 [1-3 marks]

Candidates are able to explain whether the advert works and attracts applicants. It is likely that either the answer is not clearly applied or that it does not address 'how' and 'suitable people'. A list of points is worth 1 mark.

[5]

(d) **Target: Ability to show, apply, analyse and evaluate knowledge and understanding of Recruitment.**

The answer will clearly depend on the business chosen. Analysis and evaluation of the reasons is what is being looked for.

Answers that do not specify a business cannot go beyond the bottom of the appropriate level.

Level 3 [5-6 marks]

Candidates offer a supported evaluation of the methods. At the top these are relevant to the business chosen. Max 5 marks for only two methods.

Level 2 [3-4 marks]

Candidates are able to explain whether or not the methods would be relevant or the relevancy of the methods used. If only one method is referred to, max 4.

Level 1 [1-2 marks]

Candidates are able to describe and apply the methods to the business or will refer to other methods without discussion of those given.

[6]

Candidates will be awarded marks for the quality of their written communication according to the following criteria.

Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2
Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1
Candidate fails to reach the threshold standard in all respects.	0

Total Q2 = [20]

3 (a) Target: Knowledge and understanding of types of organisation.

Statements 2 'does not have to share profits' and 3 'has total control over business decisions'.

Mark the first two ticks only.

[2]

(b) Target: Knowledge and application of financial control.

(i) Give 1 mark for 'income and expenditure' or similar.

Give 1 mark for further development e.g. 'for a future period of time'.

Predict/forecast etc.

[2]

(ii) £52000 + £500 [1] = £52500 [1]

Give 2 marks for the correct answer. OFR applies.

[2]

(iii) OFR applies and may affect the answer. Look for a sensible line of argument.

'No because he is making a surplus [1] – calculation [1] – so long as revenue doesn't fall [expenditure increase [1]'].

'Yes, because the surplus is small [1] – calculation [1] – and revenue/expenditure could easily be different [1]'].

[2]

(c) Target: Ability to show, apply, analyse and evaluate knowledge and understanding of communications.

Mobile phones: can be contacted any time; would allow quick communication; etc, but may not have signal; not good for complex messages; etc.

Candidates may suggest using mobiles in conjunction with email/fax/voice mail on landline [BT 1571]; etc.

Level 3 [5-6 marks]

Candidates are able to make a supported recommendation based on valid ideas.

Level 2 [3-4 marks]

Candidates can analyse either why mobile phones would be suitable and/or the need for other forms.

Level 1 [1-2 marks]

Candidates offer some knowledge and application.

[6]

Total Q3 = [14]

4 (a) Target: Knowledge and understanding of promotional techniques.

1 mark for each of: price, product and place (distribution). 3 x 1

[3]

(b) Target: Ability to show, apply, analyse and evaluate promotional methods.

TV: mass audience; can target audiences; etc – but very expensive/eggs in one basket; etc.

Newspapers: people may see it more than once, people can study the advert/refer to it; but expensive and will need to target correct paper; etc.

Special offers: cheap; but may not tempt new customers; etc.

Level 3 [4-6 marks]

Candidates offer a well supported recommendation. Answers at the top will have clearly considered both options.

Level 2 [2-3 marks]

Candidates, at the top, can apply and analyse both options while those at the bottom will probably only consider television.

Level 1 [1 mark]

Candidates are able to offer some knowledge of the promotion methods.

[6]

Total Q4 = [9]

**Mark Scheme 2321/02
June 2006**

- 1 (a) **Target: Knowledge and understanding of type of business activity.**
The turning of raw materials into products. Allow manufacturing/idea of making. [1]
- (b) (i) **Target: Knowledge and understanding of reasons for business activity.**
Needs – what people require for day to day living/are essential.
Wants – what people would like to have but are not essential.
Give 1 mark for each correct definition along these lines.
Give 1 mark for an example of each [i.e. 2 examples]. [2]
- (ii) **Target: Knowledge and application of reasons for business activity.**
Candidates may mention: if they don't then they will not sell [1] leading to bankruptcy [1]. [1]
Give 2 marks for a clear idea along these or similar lines.
Give 1 mark for a limited idea e.g. 'to stay in business' or 'to make a profit' [2]
- (c) **Target: Knowledge and application of production technology.**
Candidates may mention: speed and/or accuracy of design; easier application; more accurate production; reduction in labour force; fewer errors from design to production; etc.
Allow 1 mark for each point and 1 mark for development. 2 x 2 [4]
- (d) **Target: Ability to show, apply, analyse and evaluate knowledge and understanding of management of production.**
- (i) Division of labour is where work is organised so it is broken down into smaller, more specialist units, leading to increased efficiency. Alternatively it is the breaking down of work into smaller specific tasks e.g. one worker puts in windscreens while another puts the tyres on cars.
Allow either approach giving 2 marks for a full explanation, as above, and 1 mark for some idea e.g. 'involves specialisation'. [2]
- (ii) Answers will clearly depend on the business chosen and the candidates' understanding of division of labour.
Answers that do not specify a business cannot go beyond the bottom of the appropriate level.
- Level 3 [4-6 marks]**
Candidates are able to offer discussion and, above the bottom, to reach a supported conclusion. Candidates at the top will make good reference to their business.
- Level 2 [2-3 marks]**
Candidates can offer some analysis. Those at the top will make sensible reference to their business. Answers where division of labour is not clearly understood will be at the bottom of this level.
- Level 1 [1 mark]**
Candidates can offer some application to their business. [6]

Total Q1 = [17]

2 (a) Target: Ability to show, apply, analyse and evaluate knowledge and understanding of recruitment; training and communication.

- (i) Job description is a statement of what the job involves [1] including location, hours, position in the organisation; etc [1].

Give 1 mark for a basic idea and 1 mark for development. [2]

- (ii) Person specification gives the qualifications [1] and attributes [1] needed for a job [1] often split into necessary and desirable [1]. Max 2.

Give 1 mark for a basic idea and 1 mark for development. [2]

- (iii) Candidates may mention: more likely to attract good applicants; ensure personnel keep up-to-date; makes them appear to be a good employee [IIP]; quality of service; competitive; etc.
Candidates may mention several points or expand on just one.

Give 1 mark for a basic idea and then 2 more marks for expansion, but these must address service sector. 1x3. [3]

- (iv) NB 'how effective' and 'suitable people'
Candidates are likely to treat this holistically so be prepared to give all the marks for a good answer.

Level 2 (4-5 marks)

Candidates can offer analysis and evaluation addressing how effective the advertisement would be in attracting suitable people. Max 4 if only one of 'effective' or 'suitable' is addressed.

Level 1 (1-3 marks)

Candidates are able to explain whether the advert works and attracts applicants. It is likely that either the answer is not clearly applied or that it does not address 'how' and 'suitable people'. A list of points is worth 1 mark. [5]

(b) Target: Ability to show, apply, analyse and evaluate knowledge and understanding of Recruitment.

The answer will clearly depend on the business chosen. Analysis and evaluation of the reasons is what is being looked for.
Answers that do not specify a business cannot go beyond the bottom of the appropriate level.

Level 3 [5-6 marks]

Candidates offer a supported evaluation of the methods relevant to the business chosen. Max 5 marks for only 2 methods.

Level 2 [3-4 marks]

Candidates are able to explain whether or not the methods would be relevant or the relevancy of the methods used. Max 4 marks for only 1 method.

Level 1 [1-2 marks]

Candidates are able to describe and apply methods to the business or will refer to other methods without discussion of those given. [6]

Candidates will be awarded marks for the quality of their written communication according to the following criteria

Ideas are expressed clearly, fluently and in an appropriate way. There are few errors in spelling, punctuation and grammar	2
Straightforward ideas are expressed relatively clearly, legibly and appropriately. there may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answers.	1
Candidate fails to reach the threshold standard in all respects.	0

Total Q2 = [20]

3 (a) Target: Knowledge and understanding of types of business organisation.

Give 1 mark for the idea of: a person who runs a business alone/a one person business

Give 1 more mark for: has unlimited liability/makes all the decisions/takes all the profits – credit also for other valid points. [2]

(b) Target: Ability to select, analyse and show knowledge and understanding of financial information.

(i) £51000 [1] – (34000+6000) [1] = £11000 [1].

Give 3 marks for correct answer.

OFR applies [3]

(ii) Candidates may mention: to aid financial planning; to help decide how to change income/expenditure; to allow outcomes to be compared with prediction to guide decisions; to help set targets; to allocate financial resources. Allow any valid point. NB this relates to Shuo so 2 marks are for application.

A possible answer is 'Shuo draws up a budget to forecast his income and expenditure [1] so as to allow him to monitor his position as time goes on [1] and to make adjustments so as to stay in surplus[1]'. [3]

Allow any sensible argument along this or similar lines.

(c) Target: Ability to show, apply, analyse and evaluate knowledge and understanding of communications.

Candidates may suggest: mobile phones or computers email/web-sites. They may suggest a voice mail system on his home phone that he can access from anywhere [e.g. BT 1571]. Any sensible system can be allowed.

Level 3 [5-6 marks]

Candidates are able to make a supported recommendation based on valid ideas and addresses most effective.

Level 2 [3-4 marks]

Candidates can explain how to communicate effectively.

Level 1 [1-2 marks]

Candidates can offer some idea[s] and application. [6]

Total Q3 = [14]

4 (a) Target: Knowledge and understanding of promotional techniques.

1 mark for each of; price, product and place [distribution]. 3x1.

[3]

(b) Target: Ability to show, apply, analyse and evaluate promotional methods.

TV – mass audience; can target audiences; etc – but very expensive/eggs in one basket; etc

Other: newspapers/magazines; etc – other above the line.

Promotion – special offers, leaflets; point of sale; etc – other below the line aspects.

Level 3 [4-6 marks]

Candidates offer a supported discussion with, at the top, a clear conclusion. Answers at the bottom may be limited in their advice.

Level 2 [2-3 marks]

Candidates can apply and analyse either television advertising and/or other methods.

Level 1 [1 mark]

Candidates are able to demonstrate some relevant knowledge.

[6]

Total Q4 = [9]

**Mark Scheme 2323/01
June 2006**

- 1 (a) **Target: Ability to demonstrate knowledge and understanding and explain private enterprise.**

Xanadu Boats Ltd is a private limited company wholly owned by private shareholders, whose shares cannot be traded on the stock exchange.

2 marks for explanation within the context of the firm.

1 mark for a rewardable comment concerning private sector organisation, ie not in the context of the firm.

1 mark for recognition of private sector.

[2]

- (b) **Target: Ability to demonstrate knowledge and understanding and explain the idea of a market.**

A global market is one that brings buyers and sellers from around the world together.

2 marks for an accurate explanation of the phrase.

1 mark for a rewardable comment.

[2]

- (c) **Target: Ability to apply knowledge and understanding of the effect of a change in tax and interest rates to a given circumstance.**

(i) True.

[1]

(ii) True.

[1]

- (d) **Target: Ability to identify an objective of the state.**

Suitable objectives include:

- Stable rate of economic growth.
- Low unemployment.
- Balance of Payments equilibrium.
- Increased competition.
- More equitable distribution of income and wealth.

1 mark for a clearly identifiable government economic objective.

[1]

(e) Target: Ability to evaluate options by judging effects of economic changes in given circumstances.

Arguments for and against the options, eg

Option 1 – cost of borrowing and risk of higher cost of borrowing in the future; increase in liabilities; time involved to prepare business plan etc; risk of being turned down by bank manager; increased overheads; low opportunity cost of finance.

Option 2 – zero borrowing costs; no risk of being refused finance; no increase in liabilities; opportunity cost of finance.

Option 3 – no gains from economies of scale; no reduction in competition; still unable to meet public demand; no increase in market share; less risk; less uncertainty over investment returns.

In addition, there are contextual and general factors that may be used to argue for and/or against expansion and these include: potential economies of scale; a reduction in competition; the ability to meet the public's demand for speedboats; an increase in market share; the risks of higher interest rates and the effects such interest rates might have upon the luxury boat market.

Level 4 (7-9 marks)

Recommends a course of action and supports with argument, by evaluating in context.

Level 3 (5-6 marks)

Analyses possible arguments for and/or against in context.

Level 2 (3-4 marks)

Explains possible arguments for and/or against in context.

Level 1 (1-2 marks)

Identifies possible issues, but not in context.

NB One-sided argument for or against expansion maximum of 6 marks [9]

Candidates will be awarded marks for the quality of their written communication according to the following criteria.

Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2
Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1
Candidate fails to reach the threshold standard in all respects.	0

- (f) **Target: Ability to demonstrate knowledge and understanding of how the law protects employees in relation to dismissal.**

1 mark for each correct example of fair and unfair reasons for dismissal:

Being a member of a trade union – **Unfair**

Being incapable of doing the job – **Fair**

Stealing company property – **Fair**

Taking maternity leave – **Unfair**

[4]

- (g) **Target: Ability to consider how business respond to the protection offered to employees.**

Issues of relevance include:

- Is this discrimination?
- Have male employees got the same rights as female employees?
- The Sex Discrimination Act prevents a person from being treated less favourably than another on the grounds of his or her sex.
- The Parent Leave Directive allows 3 months leave to be taken up to a child's eighth birthday.

NB Candidates do not need to show knowledge of specific Acts.

Other issues could include: parental leave is unpaid; staff performance and (de)motivation; possible legal action against the firm and any resulting legal judgements and/or compensation payments; possible union action; possible loss of employees; staff absenteeism, eg claiming to be sick in order to have time off; etc.

Level 2 (3-4 marks)

Recommends a course of action and supports with argument, by evaluating the issues in context.

Level 1 (1-2 marks)

Analyses issue(s) giving advantages and disadvantages in context.

Simple repetition of comments even in candidate's own words is not Level 2.

[4]

- (h) **Target: Ability to apply knowledge and understanding and explain the effects of changes in employment upon a firm studied by the candidate.**

Reward should be given to any appropriate change in the local economy in the candidate's experience.

Public sector and/or private organisations are acceptable, as well as non-profit making organisations, such as charities.

1 mark for each different change identified

+

1 mark for explanation of impact upon the organisation.

NB: candidates could achieve 4 marks by explaining, in detail, two impacts from one change.

No marks for use of scenarios, eg use of 'if.....'.

2 x 2 marks

[4]

Total Q1 = [30]

- 2 (a) (i) **Target: To demonstrate knowledge of the impact of change within the EU on business activity.**

1 mark for each correct example of benefit and cost.

- | | | |
|---|---|------------|
| 1 | Sales turnover from the caravan park (£140,000) – Benefit | |
| 2 | Loss of previous sales turnover from the sale of milk (£80,000) – Cost | |
| 3 | Building of facilities for caravan park (£40,000) – Cost | |
| 4 | Capital from sale of milking equipment (£30,000) – Benefit | [4] |

- (ii) **Target: To assess the impact of change within the EU on business activity.**

Issues of relevance include:

- The financial benefits total £210,000.
- The financial costs total £170,000.
- Possible future growth or decline in sales revenue v production costs.
- Factors that could affect future performance, eg actual or potential competition, the state of the economy, the weather, etc.
- Possible changes in staffing – laying off traditional farmhands and hiring new staff for the shop.
- Personal factors, eg better quality of life (no early milking), regular hours, fresh start, etc.

Level 3 (5-7 marks)

Evaluates issues involved in context by reaching a judgement supported by analysis.

Level 2 (3-4 marks)

Analyse possible issues in context, including possible limiting of the answer to analysis of the figures only.

Level 1 (1-2 marks)

Explains possible issues in context.

NB: OFR for incorrect answers to 2a(i). **[7]**

- (b) **Target: Ability to demonstrate understanding of e-commerce within a business situation.**

(i) False. **[1]**

(ii) False. **[1]**

(c) Target: Ability to interpret, analyse and evaluate the impact of changing technology upon a specific business.

Arguments in favour of introducing e-commerce include:

- The data shows respondents to be very content with the payment system (85%) and the attractiveness and ease of use of the website (65%).
- The ability to access national and international markets.
- It should extend the trading period beyond April to October.
- It opens a new channel of communication with potential customers.
- Potential customers can gain information and make bookings any time (24/7).

Arguments against introducing e-commerce include:

- The cost of setting up, eg website design costs, other marketing costs to inform of new e-commerce venture, etc.
- The cost of continual updating of website.
- Worries about how up to date the information would be (35%) and inability to see the caravan park before booking (20%).
- Potential customers might not use the internet to see the website.
- Slow growth of e-commerce.
- The inability to target specific customers.

Level 4 (7-9 marks)

Evaluates arguments involved and market research data in order to put forward an overall recommendation in context.

Level 3 (5-6 marks)

Analyses possible arguments for and/or against in context.

Level 2 (3-4 marks)

Explains possible arguments for and/or against in context.

Level 1 (1-2 marks)

Identifies any issue(s).

NB One-sided argument maximum of 6 marks.

Simple repetition of comments even in candidate's own words is not Level 2.

[9]

(d) Target: Ability to calculate a percentage change in sales turnover.

Percentage change in sales turnover = (Change in sales turnover/Original sales turnover) x 100.

(£28,000/£140,000) x 100 (1 mark) = 20% (1 mark).

2 marks for simply giving the correct answer of 20% with no workings.

NB OFR

(£28,000/£168,000) x 100 (0 mark) = 16.67% (1 mark).

No marks for simply stating an answer of £28,000.

No marks for £140,000/£168,000 x 100 = 83.33%.

[2]

- (e) (i) **Target: Ability to demonstrate knowledge and understanding of the influences of environmental concern on business and consumer.**

In the context of this question, social benefits could include:

- Reduced local pollution (visual, noise, etc.)
- Reduced pressure on the local environment.
- Increased local employment.
- Improved business conditions for other local businesses if caravan park attracts more visitors; etc.

1 mark for a stated cost or benefit.

+

Up to 2 marks for development of each in context.

[3]

- (ii) **Target: Ability to apply knowledge and understanding and explain the objectives of pressure groups.**

Reward should be given to any appropriate local or national pressure group, e.g. trade unions, consumer groups, environmental or green groups, animal welfare, etc.

1 mark for a named pressure group (must be Non Governmental Organisation).

+

Up to 2 marks for explanation within the context of a named pressure group.

1 mark for a rewardable comment or for the identification of a pressure group objective, but with no reference to any pressure group.

[3]

Total Q2 = [30]

**Mark Scheme 2323/02
June 2006**

- 1 (a) **Target: Ability to demonstrate knowledge and understanding and explain the idea of a market.**

A market is one that brings many buyers and many sellers together so that an exchange of goods or services can take place at a price within a trading area.

2 marks for an accurate explanation of the phrase.

1 mark for a rewardable comment.

[2]

- (b) **Target: Ability to demonstrate knowledge and understanding and explain how government control of the economy can affect business activity.**

- (i) An increased rate of income tax would lead to reduced disposable income, which might lead to decreased demand for speedboats due to reduced ability to pay. Such reduced demand could lead to lower boat prices, reduced company profits, reduce demand for workers and lower wages, etc.

[5]

NB Comments suggesting that the business would pay more income tax should receive no marks.

Level 2 (3-5 marks)

Explanation within the context of the business.

Level 1 (1-2 marks)

Identifies possible issues, but not in the context of the business.

- (ii) **Target: Ability to demonstrate knowledge and understanding of government objectives.**

Benefits of steady economic growth include:

- Rising incomes create a more positive business environment.
- Increased optimism leads to higher business investment.
- Growth makes planning easier for businesses due to less uncertainty.
- Rising tax revenues to government.
- Reduced public expenditure on benefits eg unemployment benefits, etc.
- Increased likelihood of price stability

2 marks for an accurate explanation of one reason.

1 mark for a rewardable comment relating to economic growth.

[2]

- (iii) **Target: Ability to demonstrate knowledge and understanding of exchange rates.**

Benefits of a stable exchange rate include:

- Prices of exported speedboats remain stable in a competitive global market (subject to costs and profit margins remaining stable).
- Prices of any imported materials remain stable.
- Stable export prices and import costs aid forecasting and planning.

2 marks for an accurate explanation of one benefit.

1 mark for a rewardable comment relating to a stable exchange rate.

[2]

- (c) **Target: Ability to evaluate options by judging effects of economic changes in given circumstances.**

Arguments for and against the options, eg

Option 1 - cost of borrowing and risk of higher cost of borrowing in the future; increase in liabilities; time involved to prepare business plan etc; risk of being turned down by bank manager; increased overheads; low opportunity cost of finance.

Option 2 - zero borrowing costs; no risk of being refused finance; no increase in liabilities; opportunity cost of finance.

Option 3 - no gains from economies of scale; no reduction in competition; still unable to meet public demand; no increase in market share; less risk; less uncertainty over investment returns.

In addition, there are contextual and general factors that may be used to argue for and/or against expansion and these include: potential economies of scale; a reduction in competition; the ability to meet the public's demand for speedboats; an increase in market share; the risks of higher interest rates and the effects such interest rates might have upon the luxury boat market.

Level 4 (7-9 marks)

Recommends a course of action and supports with argument, by evaluating in context.

Level 3 (5-6 marks)

Analyses possible arguments for and/or against in context.

Level 2 (3-4 marks)

Explains possible arguments for and/or against in context.

Level 1 (1-2 marks)

Identifies possible issues, but not in context.

NB One-sided argument for or against expansion maximum of 6 marks. [9]

Candidates will be awarded marks for the quality of their written communication according to the following criteria.

Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2
Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1
Candidate fails to reach the threshold standard in all respects.	0

- (d) **Target: Ability to demonstrate knowledge and understanding of how the law protects employees in relation to dismissal.**

1 mark for each correct example of fair and unfair reasons for dismissal:

Being a member of a trade union - **Unfair**

Being incapable of doing the job - **Fair**

Stealing company property - **Fair**

Taking maternity leave - **Unfair**

[4]

- (e) **Target: Ability to consider how businesses respond to the protection offered to employees.**

Issues of relevance include:

Is this discrimination?

Have male employees got the same rights as female employees?

The Sex Discrimination Act prevents a person from being treated less favourably than another on the grounds of his or her sex.

The Parent Leave Directive allows 3 months leave to be taken up to a child's eighth birthday.

NB Candidates do not need to show knowledge of specific Acts.

Other issues could include: parental leave is unpaid; staff performance and (de)motivation; possible legal action against the firm and any resulting legal judgements and/or compensation payments; possible union action; possible loss of employees; staff absenteeism, eg claiming to be sick in order to have time off; etc.

Level 2 (3-4 marks)

Recommends a course of action and supports with argument, by evaluating the issues in context.

Level 1 (1-2 marks)

Analyses issue(s) giving advantages and disadvantages in context.

Simple repetition of comments even in candidate's own words is not Level 2.

[4]

Total Q1 = [30]

- 2 (a) **Target: Ability to assess the impact of change within the EU on business activity.**

Issues of relevance include:

- Uncertainty over milk market due to overproduction.
- Increased sales revenue from the caravan park.
- Possible future growth or decline in sales revenue v production costs.
- Staffing problems.
- Increase in demand for second holidays within the UK.
- Factors that could affect future performance, eg actual or potential competition, the state of the economy, the weather, etc.

Level 3 (5-7 Marks)

Evaluates arguments involved and puts forward an overall conclusion in context.

Level 2 (3-4 marks)

Analyses possible arguments for and/or against in context.

Level 1 (1-2 marks)

Explains possible arguments for and/or against in context.

NB One-sided argument maximum of 4 marks.

Simple repetition of comments even in candidate's own words is not Level 2.

[7]

- (b) **Target: Ability to demonstrate knowledge and understanding of the opportunities and threats that the European Union provides to a given business.**

Threats include:

- Increased potential competition - leading to lower sales and turnover.
- Possible adoption of the Euro and associated costs.
- Increased EU regulation.

Opportunities include:

- A larger potential market - leading to increased sales and turnover from EU customers.
- Possible adoption of the Euro and associated benefits.
- Possible EU financial assistance.
- Increased competition - leading to incentive to lower costs and increase efficiency.
- Possible migration of low-cost workers from other EU countries.

2 marks for an accurate explanation in context.

1 mark for a rewardable comment.

2 x 2 marks

[4]

(c) **Target: Ability to demonstrate knowledge of e-commerce.**

E-commerce involves the use of web-based marketing to promote and sell products. Payments usually involve the use of credit or debit cards over a secure connection.

2 marks for an accurate explanation of the term (possibly including an example);
1 mark for a rewardable comment.

[2]

(d) **Target: Ability to demonstrate knowledge and understanding of changing technology and to analyse and evaluate its impact upon a specific business.**

Arguments in favour of introducing e-commerce include:

- The ability to access national and international markets.
- It should extend the trading period beyond April to October.
- It opens a new channel of communication with potential customers.
- Potential customers can gain information and make bookings any time (24/7).

Arguments against introducing e-commerce include:

- The cost of setting up, eg website design costs, other marketing costs to inform of new e-commerce venture, etc.
- The cost of continual updating of the website.
- Potential customers might not use the internet or see the website.
- Slow growth of e-commerce.
- The inability to target specific customers.

Level 4 (7-9 marks)

Evaluates arguments involved in order to put forward an overall recommendation or supported judgement in context.

Level 3 (5-6 marks)

Analyses possible arguments for and/or against in context.

Level 2 (3-4 marks)

Explains possible arguments for and/or against in context.

Level 1 (1-2 marks)

Identifies any issue(s).

NB One-sided argument maximum of 6 marks.

[9]

(e) Target: Ability to calculate a percentage change in sales turnover.

Percentage change in sales turnover = (Change in sales turnover/Original sales turnover) x 100.

(£28,000/£140,000) x 100 (1 mark) = 20% (1 mark).

2 marks for simply giving the correct answer of 20% with no workings.

NB OFR

(£28,000/£168,000) x 100 (0 mark) = 16.67% (1 mark).

No marks for simply stating an answer of £28,000.

No marks for £140,000/£168,000 x 100 = 83.33%.

[2]**(f) Target: Ability to demonstrate knowledge and understanding of the influences of environmental concern on business and consumer.**

(i) In the context of this question, social benefits could include:

- Reduced local pollution (visual, noise, etc).
- Reduced pressure on the local environment.
- Increased local employment.
- Improved business conditions for other local businesses if caravan park attracts more visitors; etc.

1 mark for a stated benefit

+

Up to 2 marks for development in context.

[3]**(ii) Target: Ability to apply knowledge and understanding and explain the objectives of pressure groups.**

Reward should be given to any appropriate local or national pressure group, eg trade unions, consumer groups, environmental or green groups, animal welfare, etc.

1 mark for a named pressure group (must be Non Governmental Organisation).

Up to 2 marks for explanation within the context of a named pressure group.

1 mark for a rewardable comment or for the identification of a pressure group objective, but with no reference to any pressure group. **[3]**

Total Q2 = [30]

**Mark Scheme 2324/01
June 2006**

- 1 (a) **Target: Ability to demonstrate knowledge of individual and business objectives.**
- States valid objective e.g. better quality of life related, running a business she believed in or other non-financial objectives related to case. (1)
Explanation of objective. (1) [2]
- (b) **Target: Ability to demonstrate knowledge of information requirements in the context of the case study material.**
- States valid information required e.g. costs related to business, customers for organic products, type and range of products produced or other suitable financial or non-financial information related either to the purchase of the house, the land, or the business opportunity. (1 x 2) [2]
- (c) **Target: Ability to demonstrate knowledge of business objectives and apply in the context of the case material.**
- For**
States valid reason **for** profit maximisation e.g. need money to survive, possible to be both profitable and improved quality of life. (1)
Explains in context of case study. (1) [2]
- Against**
States valid reason **against** profit maximisation e.g. not her motive for moving, ethical conflict with “being organic”, hours worked would be too great. (1)
Explains in context of case study. (1)
- Allow other reasons if justified. [2]

- (d) **Target: Ability to demonstrate business knowledge of research techniques and to evaluate methods of displaying research results in the context of the case study.**
- (i) States valid question to do with customer opinions on products purchased or products to be introduced.
These could, for example, relate to price, quality or range of products offered. (1 x 2) [4]
- (ii) Knowledge Base: charts and graphs may make it easier to see patterns and trends but time consuming to produce and she is the only user. Tables will not take long to produce and will still show information clearly. Notes might be sufficient for own use but need to be accurate and clear to avoid mistakes being made.
- Level 3 (5-6 marks)**
Evaluates options e.g. best to use ... because ...
Allow either of the two options if argument is convincing in the context of the case (single user).
- Level 2 (3-4 marks)**
Analyses options e.g. advantages and disadvantages in the context of the case.
- Level 1 (1-2 marks)**
Shows some knowledge and understanding of methods given. [6]

Candidates will be awarded marks for the quality of their written communication according to the following criteria.

Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2
Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1
Candidate fails to reach the threshold standard in all respects.	0

Total Q1 = [20]

- 2 (a) **Target: Ability to evaluate options in the context of the case study within the context of the decision making process.**

Postcard in local shop window		✓
Regional TV	x	
National newspaper	x	
Word of mouth		✓

(Mark the first two ticks.)

[2]

- (b) **Target: Ability to evaluate options in the context of the case study within the context of the decision making process.**

Explains reasons for Jim

Seems to want to apply straight away; no contact back details given.
Either two reasons or one reason developed e.g. *no contact back details therefore would not be able to invite them for interview.* (2)

[2]

Explains reasons for Mel

Motives appear suspect, inappropriate qualities highlighted.
Either two reasons or one reason developed e.g. *motive is to escape current position therefore may not be interested in new role.* (2)

[2]

- (c) **Target: Ability to analyse and evaluate alternative methods of decision making in the context of the case study.**

Knowledge Base: Options could include interview, practical test, written tests.
Job likely to involve growing, marketing, possibly also driving van so needs to relate analysis and evaluation of options against these criteria. Must be in the context of the visit but could suggest a combination of application and information gained from the visit.

Level 3 (5-6 marks)

Evaluates options e.g. best would be because ...
Allow any of the three options if argument is convincing
And related to some or all of the job requirements.

Level 2 (3-4 marks)

Analyses options e.g. advantages and disadvantages in the context of the case and the job requirements.

Level 1 (1-2 marks)

Identifies/ describes some options.

[6]

(d) Target: Ability to explain how external effects can affect decisions made in the context of case material.

(i) Demonstrates understanding of external factor i.e. seasonal supply may affect supply of crops produced, might mean she needs to diversify into other types of organic produce with all year round supply and how it would affect Beth's business. **[2]**

(ii) Demonstrates understanding of external factor i.e. increased wealth of local population might mean they can afford more expensive food and how it would affect Beth's business. **[2]**

(e) Target: Ability to analyse financial information in the context of data from the case study.

Knowledge Base: Sales have increased overall by 90%, salad by 50%, vegetables by 100% and fruit by 150%. Figures could be explained by market growth or seasonal factors. Total sales are £3,000, £5,100, £5,700 = £13,800.

Level 3 (5-6 marks)

Analyses data i.e. provides both % and calculations and explanations.

Level 2 (3-4 marks)

Provides % calculations or explanations but not both.

Level 1 (1-2 marks)

Superficial descriptive comment e.g. sales have gone up (1) or simple absolute measures of increases (salad + 400, fruit + 300, vegetable + 200) including total sales (2). **[6]**

Total Q2 = [22]

- 3 (a) **Target: Ability to evaluate solution to an external business problem in the context of case material.**

Identifies possible reasons eg yes she has her own customers, no she will lose customers (1-2 marks). Explains reasons in context of Beth's business (3-4 marks).

[4]

- (b) **Target: Ability to analyse and evaluate outcomes of decisions made in the context given.**

Level 2 (3-4 marks)

Evaluates consequences of move e.g. job satisfaction by comparing with other financial or non-financial options and justifying conclusion reached.

Level 1 (1-2 marks)

Analyses possible measure of success e.g. judged on improved quality of life, satisfaction of working for herself, doing something she believes in related to objectives for her relocation.

[4]

- (c) **Target: Ability to evaluate possible business options in the context of case material.**

Knowledge Base: Options include production, marketing, people as described in case. SWOT analysis identifies internal strengths and weaknesses and external opportunities and threats which should form the basis of analysis and evaluation.

Level 3 (6-8 marks)

Evaluates options to recommend a prioritised strategy with reasons for choice. Allow any valid strategy if supported by evidence from the case.

Level 2 (4-5 marks)

Analyses suitability of option(s) in the context of the case e.g. the opportunities and threats identified in Table 1.

Level 1 (1-3 marks)

Identifies and explains possible options in context.

One sided evaluation i.e. one option only considered = 6 max

NB: Simply copying options from the text with no explanation is not rewardable.

[8]

Candidates will be awarded marks for the quality of their written communication according to the following criteria.

Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2
Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1
Candidate fails to reach the threshold standard in all respects.	0

Total Q3 = [18]

**Mark Scheme 2324/02
June 2006**

- 1 (a) **Target: Ability to demonstrate knowledge of individual and business objectives.**

Level 2 (3- 4 marks)

Explains valid objective(s) of move e.g. better quality of life related, running a business she believed in or other non-financial objectives with objectives for not moving e.g. high salary, living in London, busy life. Comparison with alternative foregone.

Level 1 (1-2 marks)

Identifies objectives of moving and business opportunity but no comparison with not moving or alternative foregone. [4]

- (b) **Target: Ability to demonstrate knowledge of business objectives and apply in the context of the case material.**

- (i) States valid reason **for** profit maximisation e.g. need money to survive, possible to be both profitable and improved quality of life. (1)
Explains in context of case study. (1) [2]

- (ii) States valid reason **against** profit maximisation e.g. not her motive for moving, ethical conflict with "being organic", hours worked would be too great. (1)
Explains in context of case study. (1)

Allow other reasons if justified. [2]

- (c) **Target: Ability to demonstrate business knowledge of research techniques and to evaluate methods of displaying research results in the context of the case study.**

- (i) Explains why it would be reliable e.g. representative sample used. (1-2)
Two points or one developed. [2]

- (ii) Knowledge Base: Charts and graphs may make it easier to see patterns and trends but time consuming to produce and she is the only user. Tables will not take long to produce and will still show information clearly. Notes might be sufficient for own use but need to be accurate and clear to avoid mistakes being made.

Level 3 (6-8 marks)

Evaluates options e.g. best to use ... because ...

Allow any option if argument is convincing in the context of the case (single user).

Level 2 (4-5 marks)

Analyses options e.g. advantages and disadvantages in the context of the case study.

Level 1 (1-3 marks)

Shows some knowledge of methods given. [8]

Candidates will be awarded marks for the quality of their written communication according to the following criteria.

Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	2
Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1
Candidate fails to reach the threshold standard in all respects.	0

Total Q1 = [20]

- 2 (a) **Target: Ability to evaluate options in the context of the case study and within the context of the decision making process.**

Explains basis for choice: 'cheap, job only, likely to interest locals.
Allow two points or one point developed.

[2]

- (b) **Target: Ability to analyse information gathering options in the context of the case study within the context of the decision making process.**

Identifies problems with using answer phone e.g. good candidates might not be good on phone, tape might run out, may fail to leave contact details. (1)
Develops problem identified e.g. therefore ... (1)

[4]

- (c) **Target: Ability to analyse and evaluate alternative methods of decision making in the context of the case study.**

Knowledge Base: Options could include interview, practical test, written tests. Job likely to involve growing, marketing, possibly also driving van so needs to relate analysis and evaluation of options against these criteria. Must be in the context of the visit but could suggest a combination of application and information gained from the visit.

Level 3 (5-6 marks)

Evaluates options e.g. best would be because ...
Allow any of the three options if argument is convincing
And related to some or all of the job requirements.

Level 2 (3-4 marks)

Analyses options e.g. advantages and disadvantages in the context of the case and the job requirements.

Level 1 (1-2 marks)

Identifies/ describes some options.

[6]

- (d) **Target: Ability to evaluate how an external effect can affect decisions made in the context of case material.**

Knowledge Base: Market growth could be an opportunity for Beth in terms of increased demand, higher profits, greater profits. However might attract new and fiercer competition which would take from these gains.

Level 2 (3-4 marks)

Analyses effects e.g. develops to longer run, or considers actions that might be necessary.

Level 1 (1-2 marks)

Explain effects of market growth on Beth's business.

[4]

- (e) **Target: Ability to analyse financial information in the context of data from the case study.**

Knowledge Base: Sales have increased overall by 90%, Salad by 50%, Vegetables by 100% and Fruit by 150%. Figures could be explained by market growth or seasonal factors. Total sales are £3,000, £5,100, £5,7000 = £13,800.

Level 3 (5-6 marks)

Analyses data i.e. provides both % calculations and explanations.

Level 2 (3-4 marks)

Provides % calculations or explanations but not both.

Level 1 (1-2 marks)

Superficial descriptive comment e.g. sales have gone up (1) or simple absolute measures of increases (Salad + 400, Fruit + 300, Vegetables + 200) including total sales. (2)

[6]

Total Q2 = [22]

3 (a) Target: Ability to evaluate possible business options in the context of case material.

Knowledge Base: options include production, marketing, people as described in case. SWOT analysis identifies internal strengths and weaknesses and external opportunities and threats which should form the basis of analysis and evaluation.

Level 3 (6-8 marks)

Evaluates options to recommend a prioritised strategy with reasons for choice. Allow any valid strategy if supported by evidence from the case.

Level 2 (4-5 marks)

Analyses suitability of option(s) in the context of the case e.g. the opportunities and threats identified in Table 1.

Level 1 (1-3 marks)

Identifies and explains possible options in context.

One sided evaluation i.e. one option only considered = 6 max.

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Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	1
Candidate fails to reach the threshold standard in all respects.	0

(b) Target: Ability to analyse and evaluate possible evaluation methods in the context given.

Level 3 (5-8 marks)

Analyses/justifies possible changes to measure of success e.g. although survival might be OK to begin, will need to change to profit by 2nd/3rd year otherwise wouldn't be worth the effort/giving up city job.

Level 2 (3-4 marks)

Explains measure in context and describes how they would change over time e.g. survival to start with then make a profit.

Level 1 (1-2 marks)

Identifies methods of measuring success e.g. job satisfaction, profit, survival.

[8]

Total Q3 = 18

**General Certificate of Secondary Education
Business Studies B (Modular) (1952)
June 2006 Assessment Series**

Unit Threshold Marks

Unit		Maximum Mark	a*	a	b	c	d	e	f	g	u
2321/1	Raw	60				38	32	26	21	16	0
	UMS	69				60	50	40	30	20	0
2321/2	Raw	60	45	41	35	30	23	19			0
	UMS	100	90	80	70	60	50	45			0
2322	Raw	60	49	44	39	34	26	19	12	5	0
	UMS	100	90	80	70	60	50	40	30	20	0
2323/1	Raw	60				35	29	24	19	14	0
	UMS	69				60	50	40	30	20	0
2323/2	Raw	60	45	41	35	29	23	20			0
	UMS	100	90	80	70	60	50	45			0
2324/1	Raw	60				35	29	24	19	14	0
	UMS	69				60	50	40	30	20	0
2324/2	Raw	60	43	39	33	28	20	16			0
	UMS	100	90	80	70	60	50	45			0

The total entry for the examination was:

2321/1 = 1360 candidates
 2321/2 = 1869 candidates
 2322 = 1982 candidates
 2323/1 = 1318 candidates
 2323/2 = 1647 candidates
 2324/1 = 1286 candidates
 2324/2 = 1680 candidates

Specification Aggregation Results

Overall threshold marks in UMS (i.e. after conversion of raw marks to uniform marks)

	Maximum Mark	A*	A	B	C	D	E	F	G	U
1952	400	360	320	280	240	200	160	120	80	0

The cumulative percentage of candidates awarded each grade was as follows:

	A*	A	B	C	D	E	F	G	U	Total Number of Candidates
1952	3.0	12.0	28.9	55.7	76.8	90.3	97.0	99.4	100.0	2965

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