

Business Studies Specification B

General Certificate of Secondary Education GCSE 1952

Mark Schemes for the Units

January 2007

1952/MS/R/07J

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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.

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CONTENTS

General Certificate of Secondary Education

GCSE Business Studies B - 1952

MARK SCHEMES FOR THE UNITS

| Unit | Content | Page |
|-------------|-----------------------------------|-------------|
| 2321/01 | Business Organisations Foundation | 1 |
| 2321/02 | Business Organisations Higher | 11 |
| * | Grade Thresholds | 16 |

**Mark Scheme 2321/01
January 2007**

1 (a) Target: Knowledge and understanding of organisations.

Candidates may mention:

- limited liability
- able to raise larger sums of money
- cannot be taken over against the wishes of some shareholders
- Shares limited to family and friends
- Keep information within the company
- Separate legal identity, etc.

Give one mark for a basic statement and one mark for some development.

Limited liability [1] because it means that the property of the owners is protected [1].

[2]

(b) Target: Select, organise and analyse knowledge and understanding of market research.

- (i) 'Information gathered is easily analysed' - answer 1
 'People can be ...' - answer 4
 Accept first two ticks only.

[2]

- (ii) Candidates may mention:

- histograms
- bar charts
- pie charts
- graph, etc.

The reasons will depend on the method chosen, but may include:

- clarity
- helps analysis
- easy to do, etc.
- easy to draw
- easy to understand
- shows amounts, etc

Level 3 [5 marks]

Candidates may offer some comment on suitability and/or clearly make comparisons.

Level 2 [3-4 marks]

Candidates can start to explain why the method would be suitable and may start to make comparisons. Answers are likely to refer to: understanding; helps decisions; etc.

Level 1 [1-2 marks]

A sensible method is stated and a simple statement made e.g. 'Graph: this is more effective as it makes the data easy to analyse and view'.

[5]

(c) Target: Knowledge and understanding of consumer needs.

- (i) Answers may be brief eg to keep consumers happy, to ensure they come back; to make a profit etc. Allow any sensible suggestion.

[1]

- (ii) This is application of the knowledge. Candidates are asked to 'suggest one way' eg provide a quality product; to remain open for longer hours; etc.
Allow any sensible suggestion. [1]

(d) Target: To organise, select, analyse and evaluate knowledge and understanding of market segmentation.

- (i) Division of the market by types of customer - answer 3.
Accept the first tick only. [1]

- (ii) Candidates may mention:
- gender
 - geographical area
 - ethnicity
 - culture
 - religion
 - type of disability, etc.

Allow any idea which is relevant to the chosen business, but NOT age. [1]

- (iii) Answers will depend on the method chosen as against age and the business.

Points for age may include: easy to do; tastes and needs change with age

If a business is not stated candidates will be at the bottom of the appropriate level.

OFR applies, but the answer **must** refer to customers.

Level 3 [5-6 marks]

Candidates are able to discuss whether their method or age would be most suitable for their business. Answers that reach a supported conclusion will be at the top.

Level 2 [3-4 marks]

Candidates are able to explain the advantages/disadvantages of their method and age for their business. If only one of these is done then there is a maximum of three marks available.

Level 1 [1-2 marks]

Candidates can apply both methods to their business. A maximum of one mark is available for answers that deal only with one method.

[6]

Total Mark [19]

2 (a) Target: Knowledge and understanding of type of business activity.

Give one mark for a basic statement eg not government, owned by individuals.
Give one mark for development.

[2]**(b) Target: Show knowledge and understanding of, and to organise, select and analyse, financial information.**

(i) Marks are to be awarded as follows:

300 000 customers [3 marks]

300 customers [2 marks]

Total cost = $\pounds(20 + 40)\text{m} = \pounds60\text{m}$ [1 mark].

Total Revenue = $\pounds60\text{m}$ [1 mark].

OFR applies including one mark for recognising break even as $TR=TC$.

[3]

(ii) Candidates may offer:

- to fund investment
- to pay shareholders
- to prevent going bankrupt or takeover, etc.

Allow any valid idea.

Give one mark for a basic point and one mark for development.

[2]

(iii) Marks are to be awarded as follows:

Give two marks for:

- it's the only profitable number
- it is the best profit
- a clear calculation
- a comparison with 300 000 or 500 000 customers.

Give one mark for profit is $\pounds10\text{m}$ or it makes a profit.

[2]

(c) Target: To organise, select, analyse and evaluate knowledge and understanding of financing methods.

Candidates are asked to compare new shares and using retained profits.

Candidates are given:

- Cost of each option
- The time it would take to raise the money
- The effect on existing shareholders
- Other ways of using retained profit.

Shares - the above plus - can raise large sum of money, easy and cheap, etc.

Retained profits - no cost, does not dilute share holdings etc, but may not be enough and could leave little in reserve for a crisis etc.

Level 3 [5-7 marks]

Candidates are able to discuss the relative merits of the two methods.

Answers at the top will offer a supported conclusion. Answers at the bottom will just offer advantages and/or disadvantages of the methods.

Level 2 [3-4 marks]

Candidates can apply their knowledge and offer some analysis.

Level 1 [1-2 marks]

Candidates list some advantages/disadvantages for Pax plc of the methods.

Repeating the bullet point/s is worth one mark.

[7]

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 marks [18]

3 (a) Target: To show knowledge of business activity.

Tertiary is the only answer. Accept the first tick only.

[1]**(b) Target: To show knowledge and understanding of production methods.**

Candidates may say 'she does one-off paintings [1] because this is what her customers demand [1]' or 'job production is suitable when customers want a quality product [1] and this is more likely when it is painted specially for them [1]'. Allow other valid ideas along these lines e.g. 'because each is different'.

[2]**(c) Target: To organise, select, analyse and evaluate knowledge understanding of quality of production.****(i)** Candidates may suggest:

- to gain more customers
- to increase her reputation
- to complete with 'bigger names'
- has the time; etc.

Give one mark for the basic idea and one mark for development.

[2]**(ii)** Candidates may mention:

- use good materials
 - take time
 - calm the animal
- as well as quality control/assurance, etc.

Allow any valid idea.

NB this is an applied question.

Give one mark for the idea and one mark for development.

[2]**(iii)** The exact answer will depend on the business chosen.

Quality control - simple, only requires quality training of a few workers, etc.

TQM - requires all workers to take responsibility for quality, ensures a higher quality product, instils idea of supplier-customer into workers, etc.

Level 3 [4-6 marks]

Candidates are able to discuss how the business could provide a quality product. Answers at the top will offer a supported conclusion and show clear understanding. Answers at the bottom will just offer advantages and disadvantages of the method(s).

Level 2 [2-3 marks]

Candidates can apply and analyse ways of providing a quality product and/or merits of the method(s). Understanding of the two concepts may be unclear.

Level 1 [1 mark]

Candidates can show some knowledge, including the need for quality/quality checks.

[6]**Total marks [13]**

4 (a) Target: Knowledge and understanding of why people work.

- (i) Candidates may mention:
- to earn money
 - to keep occupied
 - to achieve status
 - personal satisfaction; etc.

Allow any valid idea. **[1]**

- (ii) The answer will depend entirely on the idea in part (i) and the candidate's view of it. OFR applies.

Give one mark for a basic response eg Yes, as everyone needs money, and one mark for some development eg in order to afford goods. **[2]**

(b) Target: to organise, select, analyse and evaluate knowledge and understanding of motivation.

- (i) Candidates may mention:
- promotion
 - better working conditions
 - job enlargement; etc.

Allow any valid idea. **[1]**

- (ii) Financial - direct, most people want money etc.
Non-financial - more long lasting, etc.

Level 3 [4-6 marks]

Candidates are able to recommend which method to use and to give supportive reasons. Answers at the top will offer a supported conclusion and/or distinguish between workers. Answers at the bottom will offer comments which lack substance or will make a recommendation, but there is no reasoned argument as to why that method as against the alternative.

Level 2 [2-3 marks]

Candidates can apply and analyse one or both methods.

Level 1 [1 mark]

Candidates state their preference.

[6]

Total marks [10]

**Mark Scheme 2321/02
January 2007**

1 (a) Target: Knowledge and understanding of organisations.

Candidates may mention:

- limited liability
- able to raise larger sums of money
- cannot be taken over against the wishes of some shareholders
- shares limited to family and friends
- keep information within the company
- separate legal identity, etc.

Give one mark for a basic statement and one mark for some development.

Limited liability [1] because it means that the property of the owners is protected [1].

[2]

(b) Target: Select, organise and analyse knowledge and understanding of market research.

(i) Candidates may mention:

- will allow a large number to be questioned
- customers are widely spread
- easy to analyse, etc.

Give one mark for a basic statement and one mark for some development.

[2]

(ii) Candidates may mention:

- histograms
- bar charts
- pie charts
- graph, etc.

The reasons will depend on the method chosen, but may include:

- clarity
- helps analysis
- easy to do, etc.
- easy to draw
- easy to understand
- shows amounts, etc.

Level 3 [5 marks]

Candidates offer some comment on suitability and/or clearly make comparisons.

Level 2 [3-4 marks]

Candidates can start to explain why the method would be suitable and may start to make comparisons. Answers are likely to refer to: understanding; helps decisions; etc.

Level 1 [1-2 marks]

A sensible method is stated and a simple statement made e.g. 'Graph: this is more effective as it makes the data easy to analyse and view'.

[5]

(c) **Target: Knowledge and understanding of consumer needs.**

Provision of goods and/or services that fulfil the demands of customers.

Give two marks for a clear statement along these lines.

Give one mark for an answer that shows either knowledge of 'needs' or gives a vague statement with some merit eg 'keep consumers happy'.

[2]

(d) **Target: To organise, select, analyse and evaluate knowledge and understanding of market segmentation.**

(i) Candidates may mention:

- age
- gender
- geographical area
- ethnicity
- culture
- religion
- type of disability; etc.

Allow any two valid suggestions.

[2]

(ii) The answer will depend on the business chosen.

There are no marks for knowledge of market segmentation itself as this is covered in part (i).

NB. Candidates who answer solely in terms of comparison of the two methods identified in part (i) or who concentrate on one method can only get to the bottom of each level.

Level 3 [5-6 marks]

Candidates are able to discuss whether market segmentation would be suitable for their business. Answers that reach a supported conclusion will be at the top of the level.

Level 2 [3-4 marks]

Candidates are able to explain the advantages/disadvantages of market segmentation for their business.

Level 1 [1-2 marks]

Candidates can relate market segmentation to their business.

[6]

Total Mark [19]

2 (a) Target: Knowledge and understanding of type of business activity.

Give one mark for a basic statement eg not government, owned by individuals.
Give one mark for development.

[2]**(b) Target: Show knowledge and understanding of, and to organise, select and analyse, financial information.**

- (i) Marks are to be awarded as follows:
300 000 customers [3 marks]
300 customers [2 marks]
Total cost = £(20 + 40)m = £60m [1 mark].
Total Revenue = £60m [1 mark].
OFR applies including one mark for recognising break even as TR=TC.

[3]

- (ii) Candidates may offer:
- to fund investment
 - to pay shareholders
 - to prevent going bankrupt or takeover, etc.

Allow any valid idea.

Give one mark for a basic point and one mark for development.

[2]

- (iii) Marks are to be awarded as follows:
Give two marks for:
- it's the only profitable number
 - it is the best profit
 - a clear calculation
 - a comparison with 300 000 or 500 000 customers

Give one mark for - profit is £10m or it makes a profit.

[2]

- (c) **Target: To organise, select, analyse and evaluate knowledge and understanding of financing methods.**

NB the question refers to 'very large amount of new finance' so do not allow answers that clearly would not do this, including do not allow as methods of comparison.

Answers are likely to refer to:

- issuing new shares
- investment of retained profits
- possibly government grants/loans/ bank loans.

Level 4 [6-7 marks]

Candidates are able to discuss the relative merits of one or more methods.

At the top candidates will clearly compare their method with one or more others.

Answers at the bottom will concentrate on the advantages and disadvantages of the chosen method offering justification for it or any comparison is very limited.

Level 3 [4-5 marks]

Candidates can offer some analysis of one or more methods possibly in terms of advantages and/or disadvantages.

Level 2 [2-3 marks]

Candidates are able to apply business studies ideas to the question.

Level 1 [1 mark]

Candidates offer some relevant knowledge.

[7]

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 marks [18]

- 3 (a) **Target: To show knowledge of business activity.**
Candidates must answer in terms of services, but can mention other aspects as well.
Allow any clear idea.
[1]
- (b) **Target: To show knowledge and understanding of production methods.**
Candidates may say 'she does one-off paintings [1] because this is what her customers demand [1]' or 'job production is suitable when customers want a quality product [1] and this is more likely when it is painted specially for them [1]'.
Allow other valid ideas along these lines e.g. 'because each is different'.
[2]
- (c) **Target: To organise, select, analyse and evaluate knowledge understanding of quality of production.**
- (i) Candidates may mention: Fall due to less time, more pressure from customers, new staff, etc. No change/need to introduce/maintain quality measures. Can also say that it depends on how it expands or the care taken in selecting new staff.
Give one mark for a basic idea up to two marks. Give up to three marks for development.
An unqualified statement about new artists is worth a max of 1 mark.
Either 2x2 or 1x4
[4]
- (ii) The exact answer will depend on the business chosen.
Quality control - simple, only requires quality training of a few workers, etc.
TQM - requires all workers to take responsibility for quality, ensures a higher quality product, instils idea of supplier-customer into workers, etc.
- Level 3 [4-6 marks]**
Candidates are able to discuss how the business could provide a quality product. Answers at the top will offer a supported conclusion and show clear understanding. Answers at the bottom will just offer advantages and disadvantages of the method(s).
- Level 2 [2-3 marks]**
Candidates can apply and analyse ways of providing a quality product and/or merits of the method(s). Understanding of the two concepts may be unclear.
- Level 1 [1 mark]**
Candidates can show some knowledge, including the need for quality/quality checks.
[6]

Total marks [13]

4 (a) Target: Knowledge and understanding of financial rewards.

(i) Hourly rate - pay is based on so much per hour eg 35 hours at £10 per hour. [1]

(ii) Piece rate - pay is by a unit of work. [1]

(b) There are a number of approaches candidates could take. Award the quality of the answer.

Hourly rate - simple, workers know what they will be paid and can plan, leads to overtime etc. Particularly suitable for administrative workers or where output depends on others, etc.

Piece rate - can lead to increased productivity, encourages hard workers, but disadvantages slow workers, may lead to a fall in quality, etc.

Level 4 [7-8 marks]

Candidates are able to discuss the appropriateness of the methods in relation to RJT plc. Answers at the top will make reference to the fact that different methods may suit different types of workers eg admin versus production or flow producers versus job production and/or reach a supported conclusion.

Level 3 [5-6 marks]

Candidates will offer a limited discussion of the appropriateness of the methods in relation to RJT plc and/or fail to reach a conclusion.

Answers that are purely theoretical will be at the very bottom.

Level 2 [3-4 marks]

Candidates offer analysis of one or both methods.

Level 1 [1-2 marks]

Candidates can apply one or both methods to RJT plc.

[8]

Total marks [10]

**General Certificate of Secondary Education
Business Studies B (Modular) (1952)
January 2007 Assessment Series**

Unit Threshold Marks

| Unit | | Maximum Mark | a* | a | b | c | d | e | f | g | u |
|---------------|-----|--------------|----|----|----|----|----|----|----|----|---|
| 2321/1 | Raw | 60 | | | | 34 | 27 | 20 | 14 | 8 | 0 |
| | UMS | 69 | | | | 60 | 50 | 40 | 30 | 20 | 0 |
| 2321/2 | Raw | 60 | 45 | 40 | 33 | 26 | 18 | 14 | | | 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 |

The total entry for the examination was:

2321/1 = 1089 candidates

2321/2 = 1027 candidates

2322 = 1994 candidates

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