



GCSE BUSINESS 8132/1

Paper 1 Influences of operations and HRM on business activity

Mark scheme

June 2021

Version: 1.0 Final Mark Scheme



2 1 6 G 8 1 3 2 / 1 / M S

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

The own figure rule

General principle: The own figure rule is designed to ensure that students are only penalised once for a particular error at the point at which that error is made, and suffer no further penalty as consequence of the error. Where the own figure rule is to be applied in a mark scheme, the symbol OF is used.

Section A

Total for this section: 20 marks

Multiple Choice Questions

Question Number	Answer	
1.1	C	Innovative
1.2	B	The line of authority within a business along which communication passes.
1.3	D	An employee works for fewer hours than a normal working week.
1.4	C	Total variable costs + fixed costs
1.5	D	Match applications to the job description
1.6	D	The skills of people involved in the business to identify business opportunities.

Q1.1 to Q1.6 = AO1 × 6 [1 mark for each correct answer]

1.7	State two financial methods of motivation.	[2 marks]
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Marks for this question: AO1 – 2 marks

1 mark for each correct financial method of motivation up to a maximum of 2 marks.

Answers may include:

- bonus
- commission
- salary/wage
- profit sharing
- piecework
- overtime rate
- offers of shares in company
- share of service charges/tips.

1.8	Explain one method a business may use to expand.	[2 marks]
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Marks for this question: AO1 – 2 marks

- 1 mark for identifying a method of expansion.
- 1 mark for explaining the method of expansion.

Answers may include:

Organic/internal expansion:

- franchising
- opening new stores
- e-commerce
- outsourcing
- new customers through advertising/targeting specific groups.

External expansion:

- horizontal
- vertical
- conglomerate
- merger/takeover
- expanding overseas/abroad.

Example of a developed answer

A business can expand by growing overseas (1). The business will focus on new foreign customers who are not currently its target audience (1).

1.9	Explain one benefit of job production to a business.	[2 marks]
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Marks for this question: AO1 – 2 marks

- 1 mark for identifying a benefit and 1 mark for explaining how or why this is a benefit.

Possible answers may include:

- unique products can create a USP
- motivation of staff as it is skilled work
- meets individual customers' needs
- high prices can be charged
- smaller business can use it to compete.

Examples of a developed answer

Unique products can create a USP (1), and can charge a higher price for the product (1).

As job production is often skilled work then the staff may be motivated (1), this can lead to more efficient/productive employees (1).

1.10	Explain one benefit to shareholders of limited liability.	[2 marks]
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Marks for this question: AO1 – 2 marks

1 mark for a identifying a benefit of limited liability for shareholders.

1 mark for explaining how or why this is a benefit for shareholders.

Possible answers may include:

Benefit:

- personal possessions are protected/safe
- only the amount of investment is lost
- guaranteed limit to their losses
- shareholders are not liable for business' debts.

Examples of a developed answer

Shareholders personal possessions are protected (1) as they are not liable for the business' debts (1).

Guaranteed limit to their losses (1) as only the amount the shareholder has paid for their shares can be lost (1).

1.11	Identify two stages of the process of procurement.	[2 marks]
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Marks for this question: AO1 – 2 marks

1 mark for anything identified as being involved/agreed as part of the procurement process × 2.

Possible answers may include:

- selecting/finding suppliers
- purchase of supplies/raw materials
- buying goods/services from external suppliers
- negotiating terms of payment
- negotiating the contract
- agree quality and quantity
- getting quotes/bids for work
- finding the supplier offering the best value for money.

1.12	State and explain two employment laws.	[4 marks]
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Marks for this question: AO1 – 4 marks

1 mark for identifying employment law and 1 mark for explaining × 2.

Answers may include:

- national minimum wage/living wage
- Equality Act (allow any previous anti-discrimination laws, eg Disability Act etc)
- Health & Safety Act.

Examples of a developed answer

National minimum wage/living wage (1) is a minimum hourly rate set by the government all employees must receive (1).

Equality Act (1) prevents discrimination for example based on age (1).

Markers notes

For the Equality Act they must outline an example of what type of discrimination is protected or when it protects employees.

For Health & Safety Act they must explain how the work environment is kept safe.

Section B**Total for this section: 33 marks**

2.1	Explain one reason why the objectives of a business may change over time. [2 marks]
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Marks for this question: AO1 – 2 marks

1 mark for stating why objective may change

1 mark for how objectives change

Answers may include:

- more established
- original objective has been achieved so needs to change
- changes in the external environment.

Examples of a developed answer

Objectives may become more ambitious as a business becomes more established (1), for example from making profit to becoming a market leader (1).

2.2	Calculate how much Jameel would take each month if he pays himself 80% of the profit. [5 marks]
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Marks for this question: AO2 – 5 marks

Jameel's money = £688 (5)

Method 1

Monthly revenue: $40 \times £30 = £1200$ (1)

Total variable costs: $40 \times £6.50 = £260$ (1)

Total costs = $£260$ (OFR) + $£80 = £340$ (1) OFR

Profit: $£1200 - £340 = £860$ (1) OFR

Jameel = $£860 \times 0.80 = £688$ (1) OFR

Method 2

Contribution per toy = $£30 - £6.50$ (1) = $£23.50$ (1)

Total contribution = $£23.50 \times 40 = £940$ (1) OFR

Profit = $£940 - £80 = £860$ (1) OFR

Jameel = $£860 \times 0.80 = £688$ (1) OFR

Method 3

Total variable costs: $40 \times £6.50 = £260$ (1)

Monthly revenue: $40 \times £30 = £1200$ (1)

Total = $£1200 - £260$ (OFR) = $£940$ (1)

Profit = $£940$ (OFR) - $£80 = £860$ (OFR) (1)

Jameel = $£860 \times 0.80 = £688$ (1) OFR

2.3	Recommend whether Jameel should create a business plan before making a decision about accepting the order. Give reasons for your recommendation. <p style="text-align: right;">[9 marks]</p>
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Marks for this question: AO2 – 3 marks, AO3 – 6 marks

Level	Marks	Description
3	7–9	Detailed analysis and evaluation of topics based on the context <ul style="list-style-type: none"> • Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified. • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	4–6	Sound analysis and evaluation of topics based on the context <ul style="list-style-type: none"> • A line of reasoning, with a conclusion that has some justification. • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	1–3	Basic analysis and evaluation of topics based on the context <ul style="list-style-type: none"> • Basic line of reasoning with a conclusion. • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	0	Nothing written worthy of credit.

Indicative content:

Application	Analysis/evaluation
<p>As the design of Jameel's toys are very unusual, the toy shop will only pay Jameel for toys that sell. In December it will pay him for toys that have been sold and return any unsold toys.</p> <p>The business has asked for Jameel to supply a range of different types of toys he thinks will be popular.</p> <p>Jameel's has been making a small number of toys and selling them to friends and family.</p>	<p>Jameel would benefit from a business plan because they often analyse the market. He will be able to complete market research to estimate the demand for the toy sets. As they are unusual designs he will be able to find out what types may be more popular as so far, he has only sold to family and friends who don't represent most customers. This will help him to produce the right quality of different types of toys for the shop avoiding too many left unsold. This will make sure that he is able to manage his resources more effectively, such as cash, particularly as he is not getting paid by the shop until December.</p>

<p>The toys are time consuming to make so he will need to start production immediately.</p> <p>Jameel can make the toys with the equipment he currently has.</p> <p>He only has three months to make the toys.</p>	<p>Jameel does not have much time to write a business plan and if production needs to start immediately he may find that he is unable to produce the 100 toys needed. As he has some knowledge of the market by producing toys for family and friends, he should be able to estimate the types of toys which will be more popular. The toy shop may place more orders in the future so it is important that Jameel makes the toys to the best quality and meets the delivery time. However, the toys are time consuming to make therefore if he only has three months to produce a large order it does not allow much slack if anything goes wrong.</p>
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Evaluation/Conclusion

- Although Jameel has no experience of running a business he will be aware of the importance of business planning from his time at college and how much it can help direct his business and is more important than this one order.
- The decision may depend on other potential customers and how much market research is needed to understand the needs of the market.

2.4	Explain one way in which health and safety law might decrease the profits of a business. [2 marks]
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Marks for this question: AO1 – 2

1 mark for identifying the requirement of health and safety law.

1 mark for explaining how the requirement decreases the profits of a business.

Answers may include:

- cost of training workers
- installation of safety equipment
- providing protective clothing
- producing safety displays
- giving employees breaks during the day.

Example of a developed answer

Profit may fall as the costs may increase due to having to train workers (1), for example health and safety law states that they have to be trained on new equipment (1).

2.5	Jameel will manage all the employees himself. Analyse one drawback of a flat organisational structure for JAA Toys.	[6 marks]
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Marks for this question: AO2 – 3 marks, AO3 – 3 marks

Level	Marks	Description
3	5–6	Detailed analysis of topics based on the context <ul style="list-style-type: none"> • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	3–4	Sound analysis of topics based on the context <ul style="list-style-type: none"> • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	1–2	Basic analysis of topics based on the context <ul style="list-style-type: none"> • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	0	Nothing written worthy of credit.

Answers may include:

Application

- visiting toy shops in the North of England, wants to keep control over the production of the toys – control of staff /supervision of work
- visiting toy shops in the North of England, may have to be by email – communicate his new designs to staff – effectiveness of communication
- Jameel needs to attract a skilled workforce, no managerial roles – no promotion opportunities.

Example of a Level 3 developed answer

A flat structure will be a drawback for JAA Toys because it will be difficult for Jameel to supervise all the employees. When Jameel is visiting toys shops in the North of England he will not be in the workshop keeping control over the production of the toys. Therefore, he will not be able to check that unique toy designs are being followed. Employees may have to make some decisions without checking with Jameel and this may mean the quality of the production of the toys may not be to Jameel's standard and may need to be thrown away.

2.6	Recommend whether Jameel should use zero-hour contracts for the new employees. Give reasons for your recommendation. <p style="text-align: right;">[9 marks]</p>
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Marks for this question: AO2 – 3 marks, AO3 – 6 marks

Level	Marks	Description
3	7–9	Detailed analysis and evaluation of topics based on the context <ul style="list-style-type: none"> • Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified. • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	4–6	Sound analysis and evaluation of topics based on the context <ul style="list-style-type: none"> • A line of reasoning, with a conclusion that has some justification. • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	1–3	Basic analysis and evaluation of topics based on the context <ul style="list-style-type: none"> • Basic line of reasoning with a conclusion. • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	0	Nothing written worthy of credit.

Indicative content:

Application	Analysis/evaluation
<p>There are some weeks when production will be very low when there are few orders. The business is very busy at other times, such as before Christmas.</p> <p>Jameel is concerned about rising costs due to the expansion, so he wants to keep the cost of wages down.</p>	<p>Zero-hour contracts will give Jameel flexibility to reduce his workforce when demand changes. For example, when production is low as there are few orders he would not need to give staff many hours that week. This means that the cost of wages can be tightly controlled and help him control his rising costs. However, when the business is busy employees can be given lots of hours to ensure that these orders are met. Thus making sure that the business does not disappoint toy shops when they need their orders.</p>
<p>Jameel is aware he needs to recruit skilled production staff to make the toys to his unique designs. This is important to maintain this unique selling point.</p>	<p>JAA Toys needs a skilled workforce to make unique toys. This means that recruitment and retention of skilled staff is important. Zero-hour contracts may not motivate the staff or attract skilled staff to apply for the job and he may have to employ unskilled staff. As the unique design is important for the USP this may mean staff are not able to replicate his designs and Jameel will not be able to sell the toys. Mistakes during production may prove costlier as he will have to employ staff for more hours to correct them and won't help him control his rising costs.</p>

Evaluation/Conclusion

- Jameel could use the incentive of a higher hourly rate of pay.
- Jameel may recruit low skilled employees with zero hour contracts but train them himself to upskill them.
- Zero-hour contracts are a risk if unique design of toys are a selling point, the skilled workforce is the most important element to this business.
- Depends on the local labour market and if skilled staff are available.
- The cost of wages should not be too high because JAA Toys only has a small number of workers and none are paid management rates.

Section C**Total for this section: 37 marks**

3.1	Using Item C , explain one benefit to Eve of being a sole trader.	[4 marks]
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Marks for this question: AO1 – 2 marks, AO2 – 2 marks

Level	Marks	Description
2	3–4	Sound understanding and application of the topics. <ul style="list-style-type: none"> • Applies knowledge and understanding to the context sufficiently. • A sound understanding of one or more business concepts and issues.
1	1–2	Basic understanding and application of the topics. <ul style="list-style-type: none"> • Applies basic knowledge and understanding to the context. • A basic understanding of one or more business concepts.
0	0	Nothing written worthy of credit.

Answers may include:

- keeps all the profit
- can make all the decisions.

Application

- £5000 investment.
- £450 000 profit.
- Eve makes all the major decisions in the business.

Examples of a Level 2 developed answer

A sole trader does not have to share profits as they are the only owner of the business. Eve's business has been very successful and the profit is the reward she receives for investing her £5000 life savings. She can keep the large profit of £450 000 for herself or choose to reinvest some profit in the business.

3.2	Using the data in Table 1 , explain one way in which competition affects STC. [4 marks]
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Marks for this question: AO1 – 2 marks, AO2 – 2 marks

Level	Marks	Description
2	3–4	Sound understanding and application of the topics. <ul style="list-style-type: none"> • Applies knowledge and understanding to the context sufficiently. • A sound understanding of one or more business concepts and issues.
1	1–2	Basic understanding and application of the topics. <ul style="list-style-type: none"> • Applies basic knowledge and understanding to the context. • A basic understanding of one or more business concepts.
0	0	Nothing written worthy of credit.

Answers may include:

- increased competition – the business is facing a large number of competitors – 100% increase in two years
- a competitive market can reduce prices – the average selling price of clothing is falling – compete on price
- market share can be affected – market share is falling due to increased competition.

Examples of a Level 2 developed answer

The fast fashion market competes on price as the average selling price of clothing is falling. This would suggest that the business has to reduce prices to attract and keep its customers. If STC reduces prices it can give them an advantage over rivals. This often happens as competition increases which is shown by the 100% increase in the number of direct competitors in the market within two years.

3.3	Eve makes all the major decisions in the business. Analyse one effect of Eve's style of management on staff motivation.	[6 marks]
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Marks for this question: AO2 – 3 marks, AO3 – 3 marks

Level	Marks	Description
3	5–6	Detailed analysis of topics based on the context <ul style="list-style-type: none"> • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	3–4	Sound analysis of topics based on the context <ul style="list-style-type: none"> • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	1–2	Basic analysis of topics based on the context <ul style="list-style-type: none"> • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	0	Nothing written worthy of credit.

Application:

- Eve makes all decisions regarding ordering from suppliers – manager who retains authority
- recently the buying team have experienced high staff turnover – loss of reputation could impact on recruitment.

Example of a Level 3 developed answer

A manager who retains authority doesn't allow staff to have a say and this can demotivate employees which can lead to higher staff turnover. As Eve makes all the major decisions in the business this does not allow staff to have some freedom and develop themselves. This may mean that there is no opportunity for the staff to be more fulfilled in their role and this could be why the buying team are leaving the business as it can lead to less loyalty to the business. The long-term effect is that staff recruitment will be harder as the business will have a reputation for not allowing employees a say.

3.4	Identify one way a business' production of goods and services could be sustainable. [1 mark]
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Marks for this question: AO1 – 1 mark

1 mark for identifying a way a business' production of goods and services could be sustainable.

Answers may include:

- using renewable sources of energy
- using electric transport to distribute products
- making products from recycled or renewable materials
- producing goods and services without the use of chemicals and other products that damage the environment.

3.5	Using data from Table 2 , describe how the information indicates STC has experienced growth. [2 marks]
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Marks for this question: AO2 – 2 marks

2 marks for using the figures or completing a calculation.

- Unit costs have fallen by £11 (1) or from £40.99 to £29.99 (1).
- Sales have increased by 400 000 (1) from 50 000 to 450 000 (1).

3.6	Using Table 2 , explain one benefit to STC of its growth. [2 marks]
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Marks for this question: AO2 – 2 marks

2 marks for explaining how STC has benefited from growth.

- Economies of scale have occurred.
- Unit costs have fallen as the business grows.
- Its volume of sales had increased.

Example of developed answers

One benefit is economies of scale. As the business grows, they are able to buy their materials in greater quantities which means that they have a lower price per unit (1).

Economies of scale will allow for a higher profit margin per item which can be reinvested in the business (1).

3.7	STC currently uses six suppliers. The amount paid to them is shown in Table 3 . Analyse one benefit to STC of effective supply chain management. [6 marks]
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Marks for this question: AO2 – 3 marks, AO3 – 3 marks

Level	Marks	Description
3	5–6	Detailed analysis of topics based on the context <ul style="list-style-type: none"> • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	3–4	Sound analysis of topics based on the context <ul style="list-style-type: none"> • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	1–2	Basic analysis of topics based on the context <ul style="list-style-type: none"> • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	0	Nothing written worthy of credit.

Application:

- suppliers need to produce and deliver clothing quickly – 48 hours for designs and one month for full production – producers need to supply and deliver quickly and reliably
- collections last four weeks – suppliers need to produce and deliver products on time
- flexibility of the supplier in creating the samples from the designs – a supplier will need to provide good quality products
- the wide range of products that need to be supplied quickly – 30 products in each collection – producers need to supply and deliver quickly and reliably
- the average price paid to suppliers has fallen – by £11 over four years – if the supplier can produce efficiently then cost can fall.

Example of a Level 3 developed answer

An effective supply chain can ensure the success of the business in a competitive market. If suppliers can produce on time then this will ensure stock is available when needed. Collections only last for four weeks and therefore a delay in the delivery could mean that they go out of fashion quickly and the business may be left with unsold clothing. The efficiency of the suppliers in producing the collection, which can be 30 items, within one month could affect the competitiveness of the business when there is more competition in the market.

3.8	<p>STC wants to increase customer loyalty and is considering two options to achieve this.</p> <ol style="list-style-type: none"> 1. Introduce live chat to the website to improve customer service. 2. Introduce a recycling scheme to improve the ethical behaviour of the business. <p>Analyse the effect of each of these two options on STC.</p> <p>Evaluate which of these two options will have the biggest impact on customer loyalty for STC.</p> <p style="text-align: right;">[12 marks]</p>
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Marks for this question: AO1 – 3 marks, AO2 – 3 marks, AO3 – 6 marks

Level	Marks	Description
4	10–12	<p>Developed, integrated analysis and evaluation of topics with sustained judgement based on context</p> <ul style="list-style-type: none"> • An integrated line of reasoning, which is coherent, relevant, with a conclusion where the area which has been impacted on the most has been fully justified. • Interdependent nature of business areas is fully analysed. • Applies knowledge and understanding to the context and successfully draws together several functional areas of business.
3	7–9	<p>Detailed analysis and evaluation of topics based on the context</p> <ul style="list-style-type: none"> • A line of reasoning, which is coherent, relevant, with a conclusion that is justified. • Different business areas are analysed independently or the interdependent nature of business areas is partially analysed. • Applies knowledge and understanding to the context and starts to draw together several functional areas of business.
2	4–6	<p>Sound analysis and evaluation of topics in isolation of their interdependence based on the context</p> <ul style="list-style-type: none"> • A line of reasoning, with a conclusion that has some justification. • One business area is analysed independently. • Applies some knowledge and understanding to the context.
1	1–3	<p>Basic generic discussion of topics</p> <ul style="list-style-type: none"> • A basic understanding of business concepts in isolation. • A basic understanding of one or more business concepts. • Partial relevance to the question.
0	0	Nothing written worthy of credit.

Indicative content:

Understanding	Application	Analysis/evaluation
The live chat will provide good customer engagement during the purchase and post-sales service.	<p>The live chat agents will offer advice on the fit of clothing and give customers piece of mind and more assurance the product is right for them.</p> <p>Recent market research has indicated customers want more advice for sizing.</p> <p>Only two available during limited times.</p>	This should lead to a higher number of items being purchased and an overall more satisfactory shopping experience. However, this increase in sales would need to be significant to cover the cost of employing two people and it may not be enough to satisfy customers' expectations. If the products fit better then customers are less likely to return the clothing and will consider returning for another purchase in the future. If an exchange or refund is needed then the live chat will make the process more efficient and improve customer satisfaction. This can be an important part of customer service and should encourage customers to be more loyal to the business.
Recycling can improve the business' reputation as an ethical business.	<p>Encouraging customers to recycle clothing can lead to the reuse of the material in the manufacturing of new clothes.</p> <p>Fast fashion leading to environmental issues.</p> <p>Costs of postage for the business. Discount given</p>	Although it will cost the business money for the postage of products under the scheme it can generate positive publicity for the business and encourage customers to return and purchase more products. As the products they buy are fast fashion and due to trends are not expected to be worn for a long time, customers can be confident that they are reducing their impact on the environment by returning the clothing for recycling. As this is available for repeat purchases and gives a discount off another purchase it will help solve the issues that customers are not returning frequently.

What does it depend on?**Evaluation and integration**

- Could the recycling scheme cost more than the extra sales it generates? However it may depend if it can charge higher prices.
- If it doesn't introduce the recycling scheme this could cause a downward trend in sales as fast fashion is impacted on due to the greater concern for the environment.
- It depends on how skilled the live chat agents will be at giving sizing advice, this will be limited without trying the products on and high returns are still likely for clothing.
- Customer expectation of when the live chat is available may mean the business can't meet its promises and cause a more negative impact on the business.
- It may need to do further research into the fit of clothing to be able to offer the live chat service. It could be design faults and not sizing guides causing the problem.