
BUSINESS

9609/22

Paper 2 Data Response

May/June 2019

MARK SCHEME

Maximum Mark: 60

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

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This document consists of **24** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer	Marks																								
1(a)(i)	Define the term ‘public sector’ (line 1).	2																								
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<i>*ARA means ‘all reasonable answers. This allows for answers which are similar to the ones in the mark scheme and are correct.</i>																										

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1(a)(ii)	<p>Explain the relationship between a mission statement and a business objective</p> <table border="1"> <thead> <tr> <th></th><th>Rationale</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>C</td><td>Identification of the relationship between a mission statement and a business objective</td><td>1</td></tr> <tr> <td>B</td><td>Understanding of a business objective</td><td>1</td></tr> <tr> <td>A</td><td>Understanding of a mission statement</td><td>1</td></tr> </tbody> </table> <p><i>Note: allow any reasonable understanding of ‘aims’, ‘targets’ ‘goals’ in relation to mission statements and objectives. These terms are often used in completely different ways by different sources and so any reasonable use is acceptable if you believe the candidate has shown understanding of an objective and/or missions statement.</i></p> <p>Content</p> <ul style="list-style-type: none"> Objectives should be in line with the mission statement and move the business towards the mission statement (C) A mission statement is a visionary aim for a business of the direction/purpose. (A) An objective is a specific target that should have a time period in which to achieve it. (B) 		Rationale	Marks	C	Identification of the relationship between a mission statement and a business objective	1	B	Understanding of a business objective	1	A	Understanding of a mission statement	1	
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1(a)(ii)	ARA			
	Exemplar	Mark	Rationale	
	The mission is the aim (A) but the business has the specific targets called objectives (B) to reach that aim (C)	3	All three elements	
	Achieving the objectives help move the business towards the mission statement (C only)	1	No explicit understanding of either an objective or a mission statement – only the relationship	
	The mission statement sets out the direction (A) and the objectives should help the business go in that direction (C).	2	No explicit understanding of business objectives.	
	A mission statement is something a business wants to aim towards that may be unattainable (A), whereas a business objective is a specific, measurable, achievable, realistic and times-based goal that can be reached (B).	2	Both mission statement and objective have been understood but the relationship is not explained.	
	A mission statement is a visionary aim for a business of the purpose (A). Whereas an objective is a specific target that should have a time period in which to achieve it (B).	2	Both mission statement and objective have been understood but the relationship is not explained.	

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1(b)(i)	<p>Refer to Table 1.1. Calculate the rate of labour turnover for the whole of JS in 2018.</p> <table><tr><th>Rationale</th><th>Marks</th></tr><tr><td>Correct answer with or without correct working or %</td><td>3</td></tr><tr><td>Identification of correct figures from Table 1.1 used in formula</td><td>2</td></tr><tr><td>Correct formula*</td><td>1</td></tr><tr><td>No creditable content</td><td>0</td></tr></table> <p><i>*Formula can be implied through the correct use of figures</i></p> <p>Content</p> $\frac{\text{Number of employees who left}}{\text{Total number of employees}} \times 100$ $\frac{6250 + 550 + 600}{25\,000 + 5\,000 + 10\,000} \times 100$ $\frac{7400}{40\,000} \times 100$ <p>= 18.5%</p> <p>OFR*</p>	Rationale	Marks	Correct answer with or without correct working or %	3	Identification of correct figures from Table 1.1 used in formula	2	Correct formula*	1	No creditable content	0	3
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<p><i>LARGEST is contextual as it is stated in the case. However LARGE is not as it is generic to most/all businesses experiencing economies of scale.</i></p> <p>Content A candidate does not need to name an economy or diseconomy of scale – a description is good enough (for example ‘bulk buying’ is enough to award purchasing economies of scale).</p>																																			

Question	Answer	Marks						
1(c)	<p>Economies of scale:</p> <ul style="list-style-type: none"> • Managerial economies of scale – for example personnel managers who may be able to deal with JS labour turnover issue • Marketing economies of scale – many outlets in every main town and city means that marketing costs can be averaged out over a large number of outlets • Purchasing (<i>allow bulk buying</i>) economies of scale – in terms of administration items (do not accept bulk buying of inventory unless it is in context as this is a service sector business) • Technical (<i>do not reward technological</i>) economies of scale – better admin computer software/systems • Financial economies of scale – government backing likely to be more important than size but JS is still more likely to get favourable financial terms due to their size. • Risk bearing – unlikely to be contextual as JS only focuses on one/two services <p>Diseconomies of scale:</p> <ul style="list-style-type: none"> • Communication problems – outlets must cooperate with each other to maintain good customer service. • Poor leadership – 25% of labour turnover is due to poor leadership – too many workers to lead? • Poor motivation – Is the high labour turnover and issues due to the size of the business? • Bureaucracy – 10 000 admin workers suggest a great deal of ‘red tape’ • Duplication of effort – Each outlet likely to have the same job-role repeated. <p>Allow external economies or diseconomies of scale – ARA</p> <table border="1"> <tr> <th>Example of an economy of scale (K)</th><th>Examples of application/context (APP)</th><th>Examples of possible analysis (AN + DEV)</th></tr> <tr> <td>Marketing economies of scale</td><td>Because JS has an outlet in every major town and city</td><td>JS can use nationwide advertising campaigns which are likely to have less cost per potential customer who sees it (AN) which means JS has more money to spend on finding people jobs (DEV)</td></tr> </table>	Example of an economy of scale (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	Marketing economies of scale	Because JS has an outlet in every major town and city	JS can use nationwide advertising campaigns which are likely to have less cost per potential customer who sees it (AN) which means JS has more money to spend on finding people jobs (DEV)	
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1(c)	Example of a diseconomy of scale (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)																															
	Communication diseconomies of scale	Because JS is spread out over the whole of country X	This means that messages may not get properly communicated and some jobs might not get filled (AN) meaning that JS does not get as many people out of unemployment (DEV).																															
1(d)	Recommend how JS could improve the motivation of its employees in Department A. Justify your recommendation.			11																														
<table><tr><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis and Evaluation (7 marks)</th><th>Marks</th></tr><tr><td></td><td></td><td>Justified recommendation based on argument in context</td><td>7</td></tr><tr><td></td><td></td><td>Developed recommendation based on argument in context</td><td>6</td></tr><tr><td></td><td></td><td>An evaluative statement / recommendation based on argument in context</td><td>5</td></tr><tr><td rowspan="2">Shows understanding of (de)-motivation in the customer service department</td><td rowspan="2">3–4</td><td>Developed argument (balanced**) based on way(s) which JS could improve motivation in the customer service department</td><td>4</td></tr><tr><td>Developed argument (imbalanced*) based on one way which JS could improve motivation in the customer service department</td><td>3</td></tr><tr><td>Shows knowledge of (de)motivation</td><td>1–2</td><td>Limited analysis of way(s) which a business can improve motivation</td><td>1-2</td></tr><tr><td colspan="3">No creditable content</td><td>0</td></tr></table>					Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks			Justified recommendation based on argument in context	7			Developed recommendation based on argument in context	6			An evaluative statement / recommendation based on argument in context	5	Shows understanding of (de)-motivation in the customer service department	3–4	Developed argument (balanced**) based on way(s) which JS could improve motivation in the customer service department	4	Developed argument (imbalanced*) based on one way which JS could improve motivation in the customer service department	3	Shows knowledge of (de)motivation	1–2	Limited analysis of way(s) which a business can improve motivation	1-2	No creditable content			0
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1(d)	<p><i>*Imbalanced argument is when a candidate only looks at what is good or bad about only <u>one way</u>.</i></p> <p><i>**Balance in an argument can be gained by looking at <u>more than one way</u> OR by having developed analysis of is <u>good</u> and developed analysis about what is <u>bad</u> about <u>one way</u></i></p> <p>Content</p> <ul style="list-style-type: none"> • Increase pay/financial motivation – 30% of leaving employees are leaving for ‘poor pay’. However, can the government of county X afford a pay increase? • Non-financial motivation – 20% leaving because of a boring job (job enrichment/enlargement/rotation – improve motivating factors etc.), more delegation etc. • Increase levels of hierarchy to improve promotion chances. 5% of workers leaving for this reason. • Allow movement between outlets – 5% have moved to another town – JS may be able to keep them in the business by offering them a job in another outlet. • Improve leadership – is JS using the right leadership styles? Do the managers need training? • Improve training – employees are highly skilled and trained, but maybe they could be offered more to keep them in the business. In particular, training on how to deal with customers as this is a major reason for the turnover. • Make more social opportunities for staff • Improve recruitment and selection processes – are people leaving because they were not the right people in the first place? 	

Question	Answer					Marks
1(d)	ARA An example of how an answer could develop and how it should be annotated.					
	K	APP	AN	DEV	EVAL	
	JS could pay its workers better to motivate them (K)	This may be effective because 30% of people who leave think that JS has poor pay (APP)	This is likely to lead to less people leaving Department A (AN)	Which will decrease the recruitment costs of JS (DEV)	Overall pay could help to improve the motivation of the employees in Department A (EVAL)	
	However, money does not motivate everyone (K)	And there are many other reasons why employees leave JS, such as the 25% of people who leave because of poor leadership (APP)	So, the extra pay may not motivate the employees but will increase costs (AN)	Which means that JS has less money available to meet their mission statement (DEV)	because it has the highest labour turnover rate and the biggest reason is poor pay (EVAL). However, it depends on whether JS can afford to increase pay enough to make a real difference to the motivation of the employees (EVAL).	

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2(a)(i)	Define the term ‘cash flow’ (line 21).	2																		
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The spending of money within/out of a business	1	Only one direction covered – defining cash outflow																		
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A businesses flow of cash	0	Tautological																		

Question	Answer	Marks																																	
2(a)(ii)	<p>Explain the term 'brand' (line 1).</p> <p>Award one mark for each point of explanation:</p> <table border="1"> <thead> <tr> <th></th><th>Rationale</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>C</td><td>Example or some other way of showing good understanding</td><td>1</td></tr> <tr> <td>B</td><td>An explanation that it distinguishes from competition (unique)</td><td>1</td></tr> <tr> <td>A</td><td>An explanation of name/logo/design/feature etc.</td><td>1</td></tr> </tbody> </table> <p>Content A brand is a name, term, design, symbol, or other feature that distinguishes an organisation or product from its rivals in the eyes of the customer. Brands are used in business, marketing, and advertising.</p> <p>ARA</p> <table border="1"> <thead> <tr> <th>Exemplar</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>A brand is the name (A) or logo that differentiates a product or service (B) from the competitors, like McDonalds golden arches (C)</td><td>3</td><td>All three aspects</td></tr> <tr> <td>A brand, like Coke (C), helps a business distinguish itself (B) from competitors because people know to look out for the logo (A)</td><td>3</td><td>All three aspects</td></tr> <tr> <td>A unique (B) feature (A) that is used to advertise a product (C)</td><td>3</td><td>All three aspects</td></tr> <tr> <td>A logo (A) that makes a business unique (C)</td><td>2</td><td>A and B marks</td></tr> <tr> <td>Something about a business that makes it stand out (B) such as a name (A) like Too Tasty</td><td>2</td><td>Do not reward TT as an example since we tell them it is a brand in the data (ie REP)</td></tr> <tr> <td>A brand is a big business like Pepsi (C)</td><td>1</td><td>C mark as it is an example</td></tr> </tbody> </table>		Rationale	Marks	C	Example or some other way of showing good understanding	1	B	An explanation that it distinguishes from competition (unique)	1	A	An explanation of name/logo/design/feature etc.	1	Exemplar	Mark	Rationale	A brand is the name (A) or logo that differentiates a product or service (B) from the competitors, like McDonalds golden arches (C)	3	All three aspects	A brand, like Coke (C), helps a business distinguish itself (B) from competitors because people know to look out for the logo (A)	3	All three aspects	A unique (B) feature (A) that is used to advertise a product (C)	3	All three aspects	A logo (A) that makes a business unique (C)	2	A and B marks	Something about a business that makes it stand out (B) such as a name (A) like Too Tasty	2	Do not reward TT as an example since we tell them it is a brand in the data (ie REP)	A brand is a big business like Pepsi (C)	1	C mark as it is an example	3
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2(c)	<p>Analyse one <u>method</u> of primary market research and one source of secondary market research which the Marketing Director could use to help develop a new variety of vegetable chip.</p> <table><tr><th>Level</th><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis (4 marks)</th><th>Marks</th></tr><tr><td>2b</td><td>Shows understanding of one method of primary and one source of secondary market research in context</td><td>4</td><td>Developed analysis of one method of primary and one source of secondary market research in context</td><td>4</td></tr><tr><td>2a</td><td>Shows understanding of one method of primary or one source of secondary market research in context</td><td>3</td><td>Developed analysis of one method of primary or one source of secondary market research in context</td><td>3</td></tr><tr><td>1b</td><td>Shows knowledge of one method of primary and one source of secondary market research</td><td>2</td><td>Limited analysis of one method of primary and one source of secondary market research</td><td>2</td></tr><tr><td>1a</td><td>Shows knowledge of one method of primary or one sources of secondary market research</td><td>1</td><td>Limited analysis of one method of primary or one sources of secondary market research</td><td>1</td></tr><tr><td>0</td><td colspan="4">No creditable content</td></tr></table> <p><i>Note: Annotate marks for primary market research in the left -hand margin and secondary market research in the right-hand margin.</i></p>	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks	2b	Shows understanding of one method of primary and one source of secondary market research in context	4	Developed analysis of one method of primary and one source of secondary market research in context	4	2a	Shows understanding of one method of primary or one source of secondary market research in context	3	Developed analysis of one method of primary or one source of secondary market research in context	3	1b	Shows knowledge of one method of primary and one source of secondary market research	2	Limited analysis of one method of primary and one source of secondary market research	2	1a	Shows knowledge of one method of primary or one sources of secondary market research	1	Limited analysis of one method of primary or one sources of secondary market research	1	0	No creditable content				8
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2(c)	<p>Content</p> <p>Primary methods:</p> <ul style="list-style-type: none"> • Survey- could survey current customers about new varieties they might like • Questionnaires – Could ask about new possible varieties • Focus groups – ask a group to try the new varieties and give feedback on them • Observation – could observe what potential customers are buying from retailers – new varieties/flavours etc. • Testing – could hand out free samples for feedback <p>Secondary sources:</p> <ul style="list-style-type: none"> • Printed – trade magazines, research done by competitors • Paid for – from market research agencies, census etc. • Internet – demographics, new products in other markets etc. <p>ARA</p> <p><i>A chain of analysis could come from an analysis of the benefits and costs of a method or source (See below).</i></p> <table border="1"> <thead> <tr> <th>Example of a method of primary market research (K)</th><th>Examples of application/ context (APP)</th><th>Examples of possible analysis (AN + DEV)</th></tr> </thead> <tbody> <tr> <td>Questionnaire</td><td>Asking parents about what varieties of chip their children like most.</td><td>Which could give TT useful information about the new product so they can gain high sales (AN). However questionnaires are expensive to ask enough people to make them representative so this could increase TT's costs (DEV)</td></tr> <tr> <th>Example of a source of secondary market research (K)</th><th>Examples of application/context (APP)</th><th>Examples of possible analysis (AN + DEV)</th></tr> <tr> <td>The internet</td><td>To see what flavours of vegetable chips TT's competition are selling</td><td>This would be a cheap way of finding out secondary data which lowers the cost of the research (AN) however it will not tell TT about flavours which are in development so the research may be a waste of time (DEV)</td></tr> </tbody> </table>	Example of a method of primary market research (K)	Examples of application/ context (APP)	Examples of possible analysis (AN + DEV)	Questionnaire	Asking parents about what varieties of chip their children like most.	Which could give TT useful information about the new product so they can gain high sales (AN). However questionnaires are expensive to ask enough people to make them representative so this could increase TT's costs (DEV)	Example of a source of secondary market research (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	The internet	To see what flavours of vegetable chips TT's competition are selling	This would be a cheap way of finding out secondary data which lowers the cost of the research (AN) however it will not tell TT about flavours which are in development so the research may be a waste of time (DEV)	
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Question	Answer			Marks
2(c)	<i>Or a chain of analysis could come from the development of a benefit or a cost to TT (See below)</i>			
	Example of a method of primary market research (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	
	Questionnaire	Asking parents about what varieties of chip their children like most.	Which could give TT useful information about the new product so they can gain high sales (AN) and make a bigger profit (DEV)	
	Example of a source of secondary market research (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	
	The internet	To see what flavours of vegetable chips TT's competition are selling	This would be a cheap way of finding out secondary data which lowers the cost of the research (AN) and therefore it is more likely that TT will be able to maintain their high profit margin (DEV)	

Question	Answer				Marks
2(d)	Evaluate concerns that the factory manager might have about the joint venture between TT and the supermarket group.				11
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified evaluation based on argument in context	7	
			Developed evaluation based on argument in context	6	
			An evaluative statement based on argument in context	5	
	Shows understanding of two concerns that the factory manager might have about the joint venture	4	Developed argument based on two concerns/disadvantages of the joint venture	4	
	Shows understanding of one concern that the factory manager might have about the joint venture	3	Developed argument based on one concern/disadvantage of the joint venture	3	
	Shows knowledge of joint ventures	1–2	Limited analysis of two concerns/disadvantages of a joint venture	2	
			Limited analysis of one concern/disadvantage of a joint venture	1	
	No creditable content				

Question	Answer	Marks
2(d)	<p><i>Note An answer that makes no reference to factory/operations concerns can only be awarded a maximum of 2+2, no matter how developed the argument is or whether it uses other (non-operations based) context</i></p> <p><i>Application (APP) marks are about applying the knowledge of a joint venture to the operations of the factory – the context can include:</i></p> <ul style="list-style-type: none"> • <i>On the <u>production of chips</u></i> • <i>quality of <u>chip production</u></i> • <i>TT use of <u>flow production</u></i> • <i>TT's specific production process (<u>sliced, cooked, flavoured, packaged</u>)</i> • <i><u>Different flavours</u> produced <u>each day</u></i> • <i>Capacity of factory – factory runs <u>24 hours a day, 5 days a week</u></i> • <i><u>Four flavours</u> produced</i> • <i><u>New variety</u> to be produced</i> <p>Content</p> <p>A joint venture involves two separate businesses working together but not becoming one business (ie it is not a merger or takeover)</p> <ul style="list-style-type: none"> • Will the factory have capacity to produce the chips for the supermarket – currently running 24 hours a day, five days a week – would it require producing less TT branded chips? • Will the factory need to run at weekends – overtime payments? When would the machines be maintained/cleaned etc.? • Might the 'own label' chips damage the TT brand if people found out they were the same? • Would demand reduce for TT chips when the new supermarket chips are sold? • Will the supermarket continue to stock TT chips if the business does not agree to make the own label chips? • What will the profit margin be on the new chips? Would it make more profit to turn down the order and maintain the high profit margins? • Will this stop the new variety being produced and therefore jeopardise the expansion of the product portfolio? 	

Question	Answer					Marks
2(d)	ARA An example of how an answer could develop and how it should be annotated.					
	K	APP	AN	DEV	EVAL	
	TT will produce more crisps for the supermarket to sell (K)	Which may mean that TT has to open the factory for <u>six days a week</u> instead of <u>five</u> (APP)	This will increase TT's costs (AN)	And with a lower profit margin, TT may make a loss from this joint venture (DEV)	The biggest concern is likely to be about having to open an extra day each week (EVAL)	
	It may also mean that TT does not concentrate as much on it's branded crisps because they are making ones for joint venture (K)	Which may mean that TT cannot produce the <u>new variety</u> (APP)	This might lead to less sales in the future (AN)	Which may damage TT's profit (DEV)	which will mean more strain on the machinery (EVAL). However, in the long term a reduction in profit could be more of a concern, especially if it leads to the business shutting down (EVAL).	