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International Education

# Cambridge O Level

**BUSINESS STUDIES** **7115/11**

Paper 1 Short Answer/Data Response **October/November 2024**

MARK SCHEME

Maximum Mark: 80

**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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**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 descriptions 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.

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| GENERIC MARKING PRINCIPLE 5:<br><br>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:<br><br>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. |

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**Social Science-Specific Marking Principles**
**(for point-based marking)**

**1. Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a. DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b. DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c. DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d. DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e. DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f. DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g. DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

**2. Presentation of mark scheme:**

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

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**3. Calculation questions:**

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

**4. Annotation:**

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

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## 0450/7115/0986 Business Studies - Paper 1 Annotations

| Annotation | Description | Use |
|---|---|---|
| **Tick** | Tick | Indicates a point which is relevant and rewardable. |
| **X** | Cross | Indicates a point which is inaccurate/irrelevant and not rewardable. |
| **BOD** | Benefit of doubt | Used when the benefit of the doubt is given in order to reward a response. |
| **TV** | Too vague | Used when parts of the answer are considered to be too vague. |
| **REP** | Repetition | Indicates where content has been repeated. |
| **NAQ** | Not answered question | Used when the answer or parts of the answer are not answering the question asked. |
| **K** | Knowledge | Indicates knowledge and understanding of the concepts and issues relating to the question. |
| **APP** | Application | Indicates appropriate reference to the information in the stem. |
| **AN** | Analysis | Indicates where the answer has demonstrated analysis. |
| **EVAL** | Evaluation | Indicates where the answer has demonstrated evaluation (part (e) questions only). |
| **OFR** | Own figure rule | If a mistake is made in a calculation, and the incorrect figure that results from the mistake is used for subsequent calculations. |
| **SEEN** | Noted but no credit given | Indicates that content has been recognised but not rewarded. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 1(a) | **Identify <u>two</u> benefits to a business of using flow production.**<br><br>Award 1 mark per benefit (max 2).<br><br>Points might include:<br>• High output / large number of products made<br>• (Purchasing) economies of scale / discounts for bulk buying / low average/unit costs<br>• Lower labour cost / less workers needed<br>• Increased efficiency/productivity / goods are produced quickly<br>• No need to move goods from one part of the factory to another<br>• <u>Consistent/</u>standardised quality.<br><br>Other appropriate responses should be credited. | **2** | Only award the first two responses given.<br><br>Do not award:<br>Vague comments such as saves time, cheaper, quicker, faster on their own. |
| 1(b) | **Identify <u>two</u> reasons why people work.**<br><br>Award 1 mark per reason (max 2).<br><br>Points might include:<br>• (Earn) money/wage/salary/improve standard of living<br>• <u>Job</u> satisfaction / feel as if you have done a good job<br>• Safety/security for example job security<br>• Social or examples such as feel part of a group/company<br>• Esteem/recognition/status/feel important/valued<br>• Opportunity to reach potential / challenge self to do new things<br>• Help people/provide a service to community/others.<br><br>Other appropriate responses should be credited. | **2** | Only award the first two responses given.<br><br>Do not award:<br>Vague answers such as relieve boredom, something to do, like what they do. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 1(c) | **Outline <u>one</u> advantage of RSL using each of the following methods of internal communication.**<br><br>Award 1 mark for identification of each relevant advantage (max 2).<br>Award 1 mark for each relevant reference made to this business (max 2).<br><br>Points might include:<br>Email:<br>• A lot of information/detail/documents can be shared [k] with the 80 employees [app]<br>• Can send information/message to multiple people at the same time [k] about the paint [app]<br>• Keep a copy (to refer to) [k]<br>• Can communicate with people in a different location [k]<br>• Low cost/cheap [k]<br>• Can check if the message has been read [k]<br><br>Telephone calls:<br>• Quick [k] if there is a problem using flow production [app]<br>• Opportunity for (instant) questions/discussion/decisions [k] with one of the 6 managers [app]<br>• Feedback (straightaway) [k]<br><br>Other appropriate responses should also be credited. | **4** | To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made.<br><br>The following words are likely to be appropriate for this question:<br>• Paint<br>• 10 million litres<br>• Flow production<br>• Relocate (to another country)<br>• 80/86 employees<br>• 6 managers<br>• Factory<br>• Manufacturer<br>• Different leadership styles.<br><br>Other appropriate examples can be credited.<br><br>Award only once in the answer:<br>Low cost/cheap [k]<br>Fast/quick [k] |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 1(d) | **Explain <u>two</u> leadership styles RSL's managers might use.**<br><br>Award 1 mark for each relevant leadership style (max 2).<br>Award 1 mark for each relevant reference to this business (max 2).<br>Award 1 mark for each relevant explanation (max 2).<br><br>Points might include:<br>• Autocratic [k] when the manager instructs/ tells workers what to do [an] when using flow production [app]<br>• Democratic [k] when one of its 6 managers [app] asks employees for their ideas/opinions before making a decision [an]<br>• Laissez-faire [k] when the managers leave it up to the employees to make decisions/decide what to do [an] when making paint [app]<br><br>Other appropriate responses should be credited. | **6** | To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made.<br><br>The following words are likely to be appropriate for this question:<br>• Paint<br>• 10 <u>million</u> litres<br>• Flow production<br>• Relocate (to another country)<br>• 80/86 employees<br>• 6 managers<br>• Email<br>• Telephone calls<br>• Factory<br>• Manufacturer<br><br>Other appropriate examples can be credited. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 1(e) | **Explain <u>two</u> factors a manufacturing business should consider when relocating its operations to another country. Which factor is likely to be the most important? Justify your answer.**<br><br>Award up to 2 marks for identification of relevant points.<br>Award up to 2 marks for relevant development of points.<br>Award up to 2 marks for a justified decision as to which factor is likely to be the most important for a manufacturing business when relocating its operations to another country.<br><br>Points might include:<br>• Access to raw materials [k] as without materials it can delay/stop production [an] so not able to meet orders [an]<br>• Labour issues e.g. cost/access to suitable/skilled/enough employees [k] as lower wage rates could help lower labour costs [an] increasing its profit margin [an]<br>• Land issues e.g. availability/cost of suitable land [k] which could increase/lower fixed costs [an]<br>• Trade restrictions such as tariffs/quotas [k] as quotas could limit the amount of goods allowed into a country [an]<br>• Availability of government grants / rates of taxation [k] which could reduce the amount of finance needed [an]<br>• Legal controls [k] as this could stop/determine where the business can operate [an]<br>• Infrastructure (accept only once) e.g. access to utilities, communications [k] as without suitable power it would be difficult to operate (efficiently) [an]<br>• Available market/demand for the product/level of competition [k] which may reduce transport costs [an]<br>• Language/cultural problems [k] | **6** | This is a general question so there are no marks for application.<br><br>Some analysis could be used for different points, but only award once.<br><br>Accept costs [k] once if there is no specific reason for the costs given. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 1(e) | Other appropriate responses should be credited.<br><br>Justification might include:<br>Access to raw materials [k] without materials there may be delays in production [an]. Another factor is employees [k] as a lack of skills could lead to lower quality products [an]. Access to raw materials is the most important because without materials there is nothing to sell, lowering potential revenue [eval]. However, a business could train employees to produce quality products [eval]. | | |

| Question | Answer | Marks | Notes |
|---|---|---|---|
| 2(a) | **Define 'entrepreneur'.**<br><br>Award 2 marks for a full definition. Award 1 mark for a partial definition.<br><br>A person who organises, operates and takes the risk for a new business venture [2]<br>OR<br>An individual who takes the (financial) risk of starting a new business [2]<br>OR<br>A person who combines factors of production to start a business [2]<br>OR<br>An individual who takes the risk by combining factors of production [2]<br><br>Partial definition e.g. a person who starts/sets up a business [1] | **2** | Do not award:<br>Answers such as managing a business or answers which identify the skills of an entrepreneur on its own. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 2(b) | **Define 'business plan'.**<br><br>Award 2 marks for a full definition. Award 1 mark for a partial definition.<br><br>A document containing the business aims/objectives and important details about the operations, finance and owners of a business. [2]<br>OR<br>A detailed written document outlining the purpose and aim of a business which is often used to persuade lenders or investors to finance a business proposal. [2]<br>OR<br>States aims and/or objectives and show how business plans to achieve them. [2]<br><br>Partial definition e.g. a document stating the aims of the business [1]<br>OR A document containing details about the operations, finance and owners of a business.[1] | **2** | |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 2(c) | **Outline <u>one</u> advantage and <u>one</u> disadvantage to Mitchell of using microfinance as a source of finance.**<br><br>Award 1 mark for each relevant advantage/disadvantage (max 2).<br>Award 1 mark for each relevant reference to this business (max 2).<br><br>Points might include:<br>Advantages:<br>• Do not need a good credit record/history [k] for this retailer [app]<br>• Less paperwork/no business plan required [k] for this new entrepreneur [app]<br>• No need to provide security/collateral [k] which can help as it is a start-up business [app]<br><br>Disadvantages:<br>• Only for a small amount [k] so cannot buy many books [app]<br>• Usually **high** interest rates (as low/poor credit rating) [k]<br><br>Other appropriate responses should be credited. | **4** | To use words from the stem as application, the reference must be appropriate (make sense) in relation to the point being made.<br><br>The following words are likely to be appropriate for this question:<br>• Business plan – can be used as [k] or [app]<br>• but not both<br>• New/start-up business<br>• Books<br>• Ecommerce<br>• Entrepreneur<br>• Retailer<br><br>Other appropriate examples should be credited. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 2(d) | **Explain how the market research data in Chart 1 and Chart 2 in Fig. 2.1 could help Mitchell when making decisions.**<br><br>Award 1 mark for identification of how the data in each chart can be used when making decisions (max 2).<br>Award 1 mark for each relevant reference to this business (max 2).<br>Award 1 mark for each relevant explanation (max 2).<br><br>Points might include:<br>Chart 1:<br>• Decide the target market [k] as children read the most [app] which could help increase sales/revenue [an]<br>• Decide where to advertise [k] to attract most customers [an]<br><br>Chart 2:<br>• Decide which type to sell [k] as only 15 million hardbacks are sold [app] which could help reduce the amount of unsold inventory [an]<br>• To decide how many of each type of book he will sell [k] therefore he must have more of these in stock [an]<br><br>Other appropriate responses should be credited. | **6** | To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made.<br><br>The following words are likely to be appropriate for this question:<br>• Allow book/books once as application.<br>Chart 1:<br>• 27%/Older people<br>• 35%/Children<br>• 20%/adults<br>• 18%/students<br>Chart 2:<br>• Audio /10 million<br>• Paperback/50 million<br>• Hardback/15 million<br>• Other 20 million<br><br>Other appropriate examples can be credited.<br><br>Do not award:<br>Answers which simply state what chart shows e.g. 'Type of books are sold' as this is repetition. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 2(e) | **Do you think the opportunities of ecommerce for a new business are greater than the threats? Justify your answer.**<br><br>Award up to 2 marks for identification of relevant points.<br>Award up to 2 marks for relevant development of points.<br>Award up to 2 marks for a justified decision as to whether the opportunities of ecommerce for a new business are greater than the threats.<br><br>Points might include:<br>Opportunities:<br>• More potential customers/sales/widen market [k] which can increase market share [an]<br>• No/fewer shops needed [k] so less rent/lower fixed costs [an] which increases its profit margin [an]<br>• Fewer employees needed [k] lower labour/wage costs [an]<br>• Easy to update [k]<br><br>Threats:<br>• Increased competition [k] so may have to spend more on advertising / have to set lower prices [an]<br>• Potential customers do not trust online business / risk of fraud/hacking [k] therefore they are less likely to purchase [an]<br>• Not everyone has access to the internet [k] which could reduce potential customer base [an]<br>• Lack of personal service/no face-to-face contact [k] so difficult to maintain customer loyalty [an]<br>• Increased costs of postage/distribution [k] which could lead to higher prices [an]<br>• Cost to set up/maintain website [k] which business might not be able to afford [an] | **6** | This is a general question so there are no marks for application.<br><br>Lower costs may be [k] or [an] but allow only once. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 2(e) | Other appropriate responses should also be credited.<br><br>Justification might include:<br>One opportunity is more potential customers [k] increasing market share [an]. However, there may be increased competition [k] increasing promotional costs [an]. The opportunity is greater because more customers could increase revenue which is likely to cover the additional costs [eval] increasing the chances of a new business being successful. [eval] | | |

| Question | Answer | Marks | Notes |
|---|---|---|---|
| 3(a) | **Define 'capital employed'.**<br><br>Award two marks for a full definition. Award one mark for a partial definition.<br><br>(Shareholders/owners) equity plus non-current liabilities and is the total long-term capital invested in the business [2]<br>OR<br>Value of all long-term finance invested in a business [2]<br>OR<br>Represents how much money has been invested in the business to pay for all assets [2]<br><br>Partial definition e.g. finance/money invested in a business [1] | **2** | Accept correct calculations for 2 marks:<br>• Non-current assets + working capital<br>• Long term liabilities plus equity<br>• Total assets – current liabilities |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 3(b) | **Calculate JTA's return on capital employed (ROCE). Show your working.**<br><br>Award 2 marks for a correct answer.<br>Award 1 mark for correct method but incorrect answer.<br><br>Correct answer:<br>12.5% [2]<br><br>Method:<br>Profit ÷ capital employed × 100 [1]<br>OR 100 ÷ 800 × 100 [1]<br><br>If correct answer given with no working shown award 2 marks. | **2** | Only award 1 mark if 12.5% is written as part of the answer but is not given as the final answer. |
| 3(c) | **Outline <u>two</u> benefits to JTA of selling in a mass market.**<br><br>Award 1 mark for each relevant benefit (max 2).<br>Award 1 mark for each relevant reference to this business (max 2).<br><br>Points might include:<br>• High number of customers/sales [k] from its 44 shops [app]<br>• Spread risk [k] when selling holidays [app]<br>• Economies of scale/examples of economies of scale [k] which could help increase its profit of $100m [app]<br>• Opportunities for growth [k] for this public limited company [app]<br><br>Other appropriate responses should be credited. | **4** | To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made.<br><br>The following words are likely to be appropriate for this question:<br>• Holidays<br>• $900m (revenue)<br>• $100m (profit)<br>• 44 shops<br>• Public limited company<br>• 200 employees<br>• (Finance director is considering) increase to profit<br><br>Other appropriate examples can be credited. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 3(d) | **Explain <u>one</u> advantage and <u>one</u> disadvantage of JTA being a public limited company.**<br><br>Award 1 mark for identification of each relevant advantage/disadvantage (max 2).<br>Award 1 mark for each relevant reference to this business (max 2).<br>Award 1 mark for each relevant explanation (max 2).<br><br>Points might include:<br>Advantages:<br>• Able to raise more/large amount of finance [k] to fund growth [an] in this mass market [app]<br>• No restrictions on buying/selling shares / can sell shares to general public [k] so can raise more/large amounts of finance [an]<br>• Limited liability (for shareholders) [k] as personal assets do not have to sold if the business cannot pay its debts [an]<br>• Incorporated/separate legal identity [k]<br>• Continuity [k] so the business will not have to close down on the death on any owner [an]<br><br>Disadvantages:<br>• Risk of takeover [k] of the holiday business [app] which could change the direction/objectives of the business [an]<br>• Many legal formalities to follow [k] which increases costs [an]<br>• Have to publish accounts [k] which takes time away from other activities [an]<br>• Business information can be seen by competitors [k] therefore they can copy ideas / find ways to compete with you [an] | **6** | To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made.<br><br>The following words are likely to be appropriate for this question:<br>• Holidays<br>• Mass market<br>• $900m (revenue)<br>• $100m (profit)<br>• $800m (capital employed)<br>• 44 shops<br>• 200 employees<br>• (Finance director is considering) increase to profit<br><br>Other appropriate examples can be credited.<br><br>Some points can be [k] or [an] but only award once. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 3(d) | • Shareholders expect dividends [k] which can decrease the amount of retained profit / increase cash outflows [an]<br><br>Other appropriate responses should be credited. | | |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 3(e) | **Do you think increasing prices is the best way for a business to increase its profit? Justify your answer.**<br><br>Award up to 2 marks for identification of relevant points.<br>Award up to 2 marks for relevant development of points.<br>Award up to 2 marks for a justified decision as to whether increasing price is the best way for a business to increase its profit.<br><br>Points might include:<br>Increasing prices:<br>• Increases revenue (if sell the same amount of products) [k]<br>• Higher prices may suggest better quality [k] therefore customers will be willing to pay the higher prices. [an]<br>• Fewer customers [k] because customers may switch to competitors [an] reducing their market share [an]<br>• Increase profit margin [k]<br><br>Alternatives to increasing prices:<br>• Buy cheaper raw materials [k] which may lower quality [an] leading to fewer sales [an]<br>• Improve packaging/quality of product [k] increasing the number of sales [an]<br>• Target new markets/develop new products [k] which could increase advertising costs [an]<br>• Lower rent/expenses or other examples [k] lowering fixed costs [an]<br><br>Other appropriate responses should be credited. | **6** | This is a general question so there are no marks for application.<br><br>Some analysis can be used for different points, but only award once.<br><br>Allow lower costs only once as either [k] or [an]<br><br>Allow lower sales/higher sales as [an] only once.<br><br>Customers may switch to competitors maybe [k] or [an] but allow only once. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 3(e) | Justification might include:<br>Increasing prices could increase revenue [k] if sales stay the same [an]. Reducing the cost of raw materials could increase the profit margin [k] but lower the quality [an].<br>Increasing prices is a better way to increase profit because lower quality products could damage their reputation [eval] and higher prices if linked to quality may attract more customers [eval] | | |

| Question | Answer | Marks | Notes |
|---|---|---|---|
| 4(a) | **Define 'external costs'.**<br><br>Award 2 marks for a full definition. Award 1 mark for a partial definition.<br><br>Costs paid for by (the rest of) society, other than the business, as a result of business activity [2]<br>OR<br>Costs paid for by (the rest of) society as a result of business actions [2]<br>OR<br>Costs/disadvantages that fall on third parties that is not directly involved in the production process [2]<br>OR<br>Negative effect on a third party/society due to business actions [2]<br><br>Partial definition e.g. costs that society/third party must pay [1]<br>OR Costs incurred by people who do not take part in the production process [1] | **2** | Do not award examples. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 4(b) | **Identify <u>one</u> objective each of the following stakeholder groups might have:**<br><br>Award 1 mark per objective (max 2).<br><br>Points might include:<br><br>Employees:<br>• Increased pay/wages/fair wages/regular pay<br>• Better/safe working conditions<br>• Access to training<br>• Job security<br>• Have contract of employment<br>• Work provides motivation / opportunities for promotion / improved status / job satisfaction<br><br>Customers:<br>• Safe/reliable products<br>• Value for money/reasonable prices<br>• Well-designed/good quality products<br>• Reliable/good service<br><br>Other appropriate responses should be credited. | **2** | Only award first response given for each stakeholder group. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 4(c) | **Identify <u>four</u> ways a pressure group might try to influence business decisions.**<br><br>Award 1 mark per way (max 4).<br><br>Points might include:<br>• (Organise) customer boycotts<br>• Raise awareness or examples such as cause negative publicity / publish information / write to newspaper<br>• Lobby/send letters to government<br>• Demonstrations/protests<br>• Arrange petitions<br>• Legal action<br><br>Other appropriate responses should be credited. | **4** | Only award the first four responses given. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 4(d) | **Explain <u>one</u> possible benefit and <u>one</u> possible drawback to a country of having FSW (a multinational company) operating there.**<br><br>Award 1 mark for identification of each relevant benefit/drawback (max 2).<br>Award 1 mark for each relevant reference to this business (max 2).<br>Award 1 mark for each relevant explanation (max 2).<br><br>Points might include:<br>Benefits:<br>• Creates jobs/provides income [k] for those making the steel [app] improving living standards [an]<br>• Orders for local suppliers [k] from its 6 factories [app] increasing local incomes/GDP [an]<br>• Technical knowhow increased [k] which could help improve production methods/efficiency/output [an] such as new ways to maintain quality [app]<br>• Companies pay taxes [k] increasing government income / government able to provide more services to society [an]<br>• Improve international reputation of country [k] which can attract other businesses to a country [an]<br>• Increased investment/infrastructure development in a country [k]<br>• Introduces new products to the country [k]<br><br>Drawbacks:<br>• Competition for local businesses [k] leading to lower demand/prices [an] for construction businesses [app] | **6** | To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made.<br><br>The following words are likely to be appropriate for this question:<br>• Steel or related words e.g. iron<br>• Construction industry<br>• Manufacturer<br>• Quality assurance/quality production<br>• (6) countries<br>• 500/3000 workers<br>• Stakeholder groups<br>• External costs<br>• Pressure groups<br><br>Other appropriate examples can be credited. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 4(d) | • Uses limited resources [k] which may upset pressure groups [app] as there is less available for other local businesses [an]<br>• Profits are often repatriated [k] limiting the country's growth [an]<br>• Jobs created may be unskilled [k]<br>• Creates pollution [k]when producing steel [app]<br><br>Other appropriate responses should be credited. | | |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 4(e) | **Do you think quality assurance is the best way for a business to achieve quality production? Justify your answer.**<br><br>Award up to 2 marks for identification of relevant points.<br>Award up to 2 marks for relevant development of points.<br>Award up to 2 marks for a justified decision as to whether quality assurance is the best way for a business to achieve quality production.<br><br>Points might include:<br>Quality assurance:<br>• Errors are spotted earlier in process [k], so less money/time spent on rework [an]<br>• Increased motivation of employees [k] leading to higher output [an]<br>• Need to train all workers [k] which increases training costs [an]<br>• Time taken to train all workers [k] who may ask for higher wages [an]<br>• Slows down production/time consuming [k] therefore productivity will fall [an]<br>• Not all workers might be interested/able to spot problems [k]<br><br>Quality control [k]<br>• Does not stop production while checking [an] so some output is made [an]<br>• Not all workers need to be trained [an] which can help reduce fixed costs [an]<br>• Need to recruit quality inspectors [an] increasing labour cost [an]<br>• Does not find out how/where fault occurred [an]<br>• Products will need to be scrapped/reworked [an] | **6** | This is a general question so there are no marks for application.<br><br>Some points can be presented as an advantage or a disadvantage of different methods but do not award the same point twice.<br><br>Quality assurance: Accept – reduces wastage as either [k] or [an] but only once. |

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| Question | Answer | Marks | Notes |
|---|---|---|---|
| 4(e) | • Does not encourage all workers to be responsible for quality [an]<br>• Does not improve quality as only reduces chance of selling poor quality products [an]<br>• Not possible to check all products [an] damaging reputation [an]<br><br>Other appropriate responses should be credited.<br><br>Justification might include:<br>Quality assurance allows for errors to be spotted earlier in the process [k], so less time is spent on rework [an]. An advantage of quality control [k] is not everyone needs to be trained to check quality [an]. Quality assurance is the best way because the extra training provided is also likely to motivate employees leading to fewer mistakes anyway, and this should hopefully cover the additional cost of training. [eval] [eval]. | | |

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