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CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/42**

Paper 4 Business Strategy **February/March 2024**

MARK SCHEME

Maximum Mark: 40

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.

Cambridge International is publishing the mark schemes for the February/March 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

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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: 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.

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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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Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:
- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>

Evaluate the effectiveness of CC's marketing strategy between 2010 and 2020.

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
3 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
8 marks</th><th>AO4 Evaluation
7 marks</th></tr>
<tr><td></td><td>Description</td><td>Description</td><td>Description</td><td>Description</td></tr>
<tr><td>3</td><td></td><td></td><td>7–8 marks
Developed analysis of the overall strategy that identifies connections between causes, impacts and/or consequences.</td><td>6–7 marks
Effective evaluation
A developed judgement/conclusion is made in the business context that draws together developed evaluative comments which balance some key arguments in the business context.</td></tr>
<tr><td>2</td><td>2–3 marks
Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>2 marks
Developed application of relevant point(s) to the business context.</td><td>4–6 marks
Developed analysis of individual strategic element(s) that identifies connections between causes, impacts and/or consequences.</td><td>3–5 marks
Developed evaluation
• A developed judgement/conclusion is made.
• Developed evaluative comments which balance some key arguments.</td></tr>
<tr><td>1</td><td>1 mark
Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>1 mark
Limited application of relevant point(s) to the business context.</td><td>1–3 marks
Limited analysis that identifies connections between causes, impacts and/or consequences.</td><td>1–2 marks
Limited evaluation
• A judgement/conclusion is made with limited supporting comment/evidence.
• An attempt is made to balance the arguments.</td></tr>
<tr><td>0</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

</td><td>20</td></tr>
</table>

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Question	Answer	Marks
1	**Indicative content:** **AO1 Knowledge and understanding** Knowledge K (max 1 mark) can be awarded for any relevant business knowledge about marketing, including: • Marketing objectives • Demand and supply • Markets (consumer, industrial, local, national and international) • Mass and niche marketing • Market segmentation • Customer relationship marketing • Market research (primary and secondary) and sampling • The marketing mix (product, price, place, promotion) • Elasticity (price, income and promotional) • Product development, including R&D • Sales forecasting • The need for the marketing strategy to be consistent with the business, the product and the market • The need for, and development of, a coordinated marketing strategy • The development of marketing strategies that are focused towards achieving specific marketing objectives • The changing role of Information Technology (IT) and Artificial Intelligence (AI) in marketing • The contents of a marketing plan: objectives, resources, research, marketing mix • The benefits and limitations of marketing planning Award DEV for any explanation of relevant business knowledge, up to a max of 2 marks. Marketing strategy is when a business plans to meet their marketing objectives K. Marketing objectives may include sales maximisation and increasing market share DEV. — 1 K for identification and 1 DEV for a point of explanation Promotion is the communication from the business to the customer K. It includes advertising, sales and direct promotion DEV. The aim of promotion is often to increase awareness of a product DEV. — 1 K for identification and 2 DEVs for two points of explanation	

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Question	Answer	Marks
1	**AO2 Application** Application APP (max 2 marks) can be awarded for **applying knowledge of marketing/marketing strategy**, to CC between 2010 and 2020: Award one APP for each application of knowledge to CC between 2010 and 2020. • CC operates its own branded clothing retail stores only in the US • CC has been a popular choice with both customers and investors • Revenue and profit were consistently high until 2008 • CC used to have only four main seasonal ranges: spring, summer, autumn and winter • CC struggled to meet the changing needs of its customer base • Competition from online only retailers reduce CC's market share • New marketing objectives in 2010–11 (any data in Appendix 1) • CC invests in digital marketing and increases the number of sales promotions • CC adapts its marketing mix and begins to sell online • Revenue from the largest city centre stores decreases. Profit continues to decrease. Dividend payments are reduced and share price decreases • Sulwar Singh is appointed Marketing Director in 2016 • The marketing objectives set in 2010 are not achieved • John is set an objective to restore CC's brand reputation • Any data from Appendix 1–4 **AO3 Analysis** Analysis is likely to be based on CC's objectives in 2010 to increase sales volumes, customer base and pricing strategy (Appendix 1). Analysis of the impact of CC's marketing strategy (A1 and A2 and A3) including: • Analysis of the objective: although specific about a measure of success (percentage growth) the time frame in which the objective is to be met is 9 years in the future. The objective is measurable but too vague. The objective is perhaps too easily achievable. • Investment into digital marketing and sales promotions – too many options to measure the effectiveness of each strategy. • Changes to the marketing mix – completely changes the brands values and identity – this could alienate existing customer base	

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Question	Answer	Marks
1	• Focus on digital marketing – low/zero cost promotion – however can be unpredictable and out of the businesses control • Customer feedback in 2013 highlights customer complaints – can this data be trusted? How was this survey completed– may lack the targeting necessary to give accurate and usable data • The pricing method chosen (dynamic pricing), may have led to a reduction in revenue – which could have led to the fall in profit • Although market share is lost and inventories are high, revenue has begun to increase which signifies that customers are increasing spend per visit • Profit decreased between 2008 and 2020 even as revenue increased – although profit was not the objective of CC, likely to be important, especially as the share price is reducing • Customer satisfaction has significantly decreased – CC has developed a reputation for poor quality products. **AO4 Evaluation** Evaluation (N1 and N2 and N3) including: Evaluation will largely depend on the points raised in the analysis. • A judgement over the success of the marketing strategy between 2010 and 2020 • Discussion over how the success of the marketing strategy can be judgement and what that judgement could depend upon; link to the marketing objective in 2010, other measures of success for a public limited company (profitability, profit, shareholder objectives, other stakeholder objectives, measures of size) • The extent to which the growth in revenue of CC between 2016 and 2020 was based on the marketing strategy or other external factors • The extent to which Sulwar's experience in online marketing influenced the decisions and took the brand away from its original values • Other external influences on CC between 2010 and 2020 other than the marketing strategy (e.g. the state of the economy; economic growth) social factors (e.g. trends and fashions) • The extent to which CC updated and changed its marketing strategy between 2012 (the marketing mix) and 2020 Accept all valid responses.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>

Advise CC on an operations strategy to enable its future survival and growth.

<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
3 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
8 marks</th><th>AO4 Evaluation
7 marks</th></tr>
<tr><td></td><td>Description</td><td>Description</td><td>Description</td><td>Description</td></tr>
<tr><td>3</td><td></td><td></td><td>7–8 marks
Developed analysis of the overall strategy that identifies connections between causes, impacts and/or consequences.</td><td>6–7 marks
Effective evaluation
A developed judgement/conclusion is made in the business context that draws together developed evaluative comments which balance some key arguments in the business context.</td></tr>
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Developed analysis of individual strategic element(s) that identifies connections between causes, impacts and/or consequences.</td><td>3–5 marks
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Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.</td><td>1 mark
Limited application of relevant point(s) to the business context.</td><td>1–3 marks
Limited analysis that identifies connections between causes, impacts and/or consequences.</td><td>1–2 marks
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</table>

</td><td>20</td></tr>
</table>

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Question	Answer	Marks
2	**Indicative content** **AO1 Knowledge and understanding** Knowledge K (max 1 mark) can be awarded for any relevant business knowledge about operations, including: • The transformational process (inputs, outputs, added value, factors of production) • Efficiency, effectiveness, productivity and sustainability • Capital and labour intensity • Operations methods (job, batch, flow, mass customisation) • Inventory management (types of inventory, buffer, re-order level, lead time, supply chain management, JIT and JIC) • Capacity utilisation • Outsourcing • Location • Scale of operations (economies and diseconomies of scale) • Quality management (quality control, quality assurance, TQM, benchmarking) • The meaning and purpose of an operations strategy • The influence of human, marketing and finance resource availability on operations decisions • The changing role of Information Technology (IT) and Artificial Intelligence (AI) in operations management • The need for flexibility with regard to volume, delivery time and specification • Process innovation: changing current processes or adopting new ways of producing products or delivering services • The main features of an ERP programme • How ERP can improve a business' efficiency in relation to: inventory control, costing and pricing, capacity utilisation, responses to change, workforce flexibility, management information • The aims and purposes of lean production (Kaizen, quality circles, simultaneous engineering, cell production, JIT manufacturing and waste management) • Operations planning (network diagrams, critical path analysis) Award DEV for any explanation of relevant business knowledge, up to a max of 2 marks. **AO2 Application** Application APP (2 marks) can be awarded for **applying knowledge of operations/operations strategy,** to CC. Award one APP for each application of knowledge. • John Dee replaces Sulwar in 2020 • John insists on new quality control procedures	

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Question	Answer	Marks
2	• The share price remains low, but stable • A new and distinctive operations strategy to reduce costs and increase efficiency is needed • CC operates its own branded clothing retail stores only in the US • CC has been a popular choice with both customers and investors • CC used to have only four main seasonal ranges: spring, summer, autumn and winter • Competition from online only retailers has reduced CC's market share • John is set an objective to restore CC's brand reputation • Any relevant data from Appendix 1–4 **AO3 Analysis** Analysis of the impact of CC's operations strategy (A1 and A2 and A3) including: • Human resources availability – are younger graduates able to understand the original target market – does their vision align with an original brand reputation and John's strategy • Marketing availability – will marketing graduates be able to create an original but improved marketing strategy which does not create the same problems 2010–16 • Revenue has dropped by 25% since 2008 (and profit has dropped by 90%) – does CC have the available funds to invest in new marketing techniques/AI/IT • Methods of regaining lost customers using the operations function • Improving flexibility and innovation within operations; increase sales volume – to increase customer retention • The use of and ERP programme – cost/benefit analysis of this and the effects of this on CC • Introduction of lean production – cost benefit analysis of this and the effects of this on CC • Any other relevant operations methods **AO4 Evaluation** Evaluation (N1 and N2 and N3) including: • A judgement about an operations strategy for CC to enable CC's survival and growth • Judgement may depend upon: market research findings, external influences in the US (PEST), internal and external influences on CC (SWOT), the reactions of potential competitors in the US, the extent of the investment to meet the new strategy • Weighing up of the relevant arguments for the different future strategies • The board of directors (and shareholders) level of risk that they would be willing to accept Accept all valid responses.	

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