



Cambridge International AS & A Level

BUSINESS

9609/23

Paper 2 Data Response

October/November 2020

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.

Cambridge International is publishing the mark schemes for the October/November 2020 series for most Cambridge IGCSE™, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **16** 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)	<p>Define the term ‘shareholder’ (line 3).</p> <table border="1" data-bbox="320 315 1310 577"> <thead> <tr> <th>Knowledge</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>A correct definition</td> <td>2</td> </tr> <tr> <td>A partial, vague or unfocused definition</td> <td>1</td> </tr> <tr> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p>Content A correct definition should include the following elements (allow one mark for each element):</p> <ul style="list-style-type: none"> Owns part/a percentage ...of a company/limited liability business <table border="1" data-bbox="320 815 1310 1346"> <thead> <tr> <th>Exemplar</th> <th>Mark</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>Owns a part of a limited company</td> <td>2</td> <td>All elements met</td> </tr> <tr> <td>Owns a percentage of a limited liability business</td> <td>2</td> <td>All elements met</td> </tr> <tr> <td>Owner of a limited company</td> <td>1</td> <td>Needs ‘PART’ owner</td> </tr> <tr> <td>Has share in/invests capital in a company</td> <td>1</td> <td>Shares is taut/all business structures require investment</td> </tr> <tr> <td>Control and ownership are not the same thing</td> <td>0</td> <td>Do not award for control</td> </tr> </tbody> </table>	Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Mark	Rationale	Owns a part of a limited company	2	All elements met	Owns a percentage of a limited liability business	2	All elements met	Owner of a limited company	1	Needs ‘PART’ owner	Has share in/invests capital in a company	1	Shares is taut/all business structures require investment	Control and ownership are not the same thing	0	Do not award for control	2
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1(a)(ii)	<p>Explain what is meant by the term ‘flow production’ (line 16).</p> <p>Award one mark for each point of explanation:</p> <table border="1" data-bbox="320 1473 1310 1767"> <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 understanding of it being a production process</td> <td>1</td> </tr> <tr> <td>A</td> <td>An understanding of flow</td> <td>1</td> </tr> </tbody> </table> <p><i>C based on A OR B</i></p> <p>Content Flow – a large number of standardised products / constantly produced Production process – the fact it is a process.</p>		Rationale	Marks	C	Example or some other way of showing good understanding	1	B	An understanding of it being a production process	1	A	An understanding of flow	1	3														
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1(b)(i)	<p>Refer to Table 1.1. Calculate the total revenue gained from Vegetarian Victory pies in 2019.</p> <table border="1" data-bbox="339 349 1289 741"> <thead> <tr> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>Correct answer with or without correct working or \$</td> <td>3</td> </tr> <tr> <td>Formula (can be implied) and correct calculation of 2019 sales</td> <td>3</td> </tr> <tr> <td>Formula (can be implied) or correct calculation of 2019 sales</td> <td>1</td> </tr> <tr> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p><i>Note: any relevant figure multiplied by the price implies the correct formula (i.e. $5000 \times \\$2.50$)</i></p> <p>Content $TR = Price \times quantity$ $5000 - 10\% = 4500$ $4500 \times \\$2.50 = \\$11\,250$ Answer = \$11 250</p> <p>OFR</p> <p>Common answers</p> <table border="1" data-bbox="359 1249 1270 1576"> <thead> <tr> <th>Answer</th> <th>Mark</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>11 250</td> <td>3</td> <td>Correct answer – does not need \$</td> </tr> <tr> <td>(–) \$1250 with calculations</td> <td>2</td> <td>Worked out –10%, used the correct formula but wrong final answer</td> </tr> <tr> <td>1250 with no calculations</td> <td>0</td> <td>Wrong answer</td> </tr> </tbody> </table>	Rationale	Marks	Correct answer with or without correct working or \$	3	Formula (can be implied) and correct calculation of 2019 sales	3	Formula (can be implied) or correct calculation of 2019 sales	1	No creditable content	0	Answer	Mark	Rationale	11 250	3	Correct answer – does not need \$	(–) \$1250 with calculations	2	Worked out –10%, used the correct formula but wrong final answer	1250 with no calculations	0	Wrong answer	3
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1(c)	<table border="1" data-bbox="320 1592 1308 1989"> <thead> <tr> <th data-bbox="320 1592 571 1727">Example of an economy of scale (K)</th> <th data-bbox="571 1592 916 1727">Examples of application/context (APP)</th> <th data-bbox="916 1592 1308 1727">Examples of possible analysis (AN + DEV)</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1727 571 1861">Specialisation</td> <td data-bbox="571 1727 916 1861">Each filling e.g. VV made by specialists</td> <td data-bbox="916 1727 1308 1861">Lose knowledge of flavour profiles which may change the taste and lose custom</td> </tr> <tr> <td data-bbox="320 1861 571 1989">Purchasing</td> <td data-bbox="571 1861 916 1989">Vegetables for Vegetarian Victory</td> <td data-bbox="916 1861 1308 1989">Miss out on bulk buy deals which increases the variable costs of the pie</td> </tr> </tbody> </table>			Example of an economy of scale (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	Specialisation	Each filling e.g. VV made by specialists	Lose knowledge of flavour profiles which may change the taste and lose custom	Purchasing	Vegetables for Vegetarian Victory	Miss out on bulk buy deals which increases the variable costs of the pie																							
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Question	Answer				Marks
1(d)	Recommend how AP could develop its products in the future. Justify your recommendation.				11
Knowledge and Application (4 marks)		Marks	Analysis and Evaluation (7 marks)		Marks
			Justified recommendation based on argument(s) in context		7
			Developed recommendation based on argument(s) in context		6
			An evaluative statement/recommendation based on argument(s) in context		5
Shows understanding of two or more elements of product development in context		4	Two or more arguments based on how AP could develop its products in the future		4
Shows understanding of one element of product development in context		3	One argument based on how AP could develop its products in the future		3
Shows two or more pieces of knowledge of product development		2	Limited analysis of two or more impacts of product development on a business		2
Shows one piece of knowledge of product development		1	Limited analysis of one impact of product development on a business		1
No creditable content					0

Question	Answer				Marks														
1(d)	<p>Content</p> <ul style="list-style-type: none"> • Reduce the meat in the MM to meet concerns over health risks. • Pies could be sold into sets of three pies to suit families. • Pies could be sold in variety packs so that it suits a family's tastes and those who do not eat meat. • Could the pies be developed to have a longer 'best before' date or frozen to allow for a longer shelf life? • The price could be increased to allow for the development of a new product or to fund the redevelopment of an existing product. • The data suggests that the MM should be redeveloped to extend the PLC – could it have less meat to meet health concerns? • VV could be redeveloped now that it is in decline, to increase sales – or a new vegetarian product could be developed to replace the VV – importance of non-meat alternatives. <p>Examples</p> <table border="1" data-bbox="320 797 1311 1364"> <thead> <tr> <th data-bbox="320 797 491 860">K</th> <th data-bbox="497 797 668 860">APP</th> <th data-bbox="675 797 845 860">AN</th> <th data-bbox="852 797 1023 860">DEV</th> <th data-bbox="1029 797 1311 860">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 869 491 1025">Longer shelf life</td> <td data-bbox="497 869 668 1025">Short BB date – eat within 2 days</td> <td data-bbox="675 869 845 1025">Could be stored for longer</td> <td data-bbox="852 869 1023 1025">Improve transport economies of scale</td> <td data-bbox="1029 869 1311 1364" rowspan="2">Most important element is to increase shelf life as this reduces wastage / increases range of outlets, which leads to increased total sales</td> </tr> <tr> <td data-bbox="320 1034 491 1364">Increase number of vegetarian pies</td> <td data-bbox="497 1034 668 1364">As consumers worried about health risks of meat</td> <td data-bbox="675 1034 845 1364">Attract new customer base</td> <td data-bbox="852 1034 1023 1364">Increase revenue/profits</td> </tr> </tbody> </table>				K	APP	AN	DEV	EVAL	Longer shelf life	Short BB date – eat within 2 days	Could be stored for longer	Improve transport economies of scale	Most important element is to increase shelf life as this reduces wastage / increases range of outlets, which leads to increased total sales	Increase number of vegetarian pies	As consumers worried about health risks of meat	Attract new customer base	Increase revenue/profits	
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2(a)(ii)	<p>Explain the term ‘franchises’ (line 5).</p> <p>Award one mark for each point of explanation:</p> <table border="1" data-bbox="320 349 1310 725"> <tr> <td data-bbox="320 349 1066 629"> An element of explanation of franchises: <ul style="list-style-type: none"> • May pay a royalty • Can be restrictive • May pay an initial fee • May pay advertising costs • Likely to increase sales • Examples </td> <td data-bbox="1066 349 1310 629">Up to 2 further marks</td> </tr> <tr> <td data-bbox="320 629 1066 725">Understanding of the use of logo, products etc. from an established business</td> <td data-bbox="1066 629 1310 725">1 mark</td> </tr> </table> <p>Content Where a business sells the rights to use its logo, products, ideas, etc... to another business.</p> <p>A business which has bought the rights to use another businesses’ logo etc...</p> <table border="1" data-bbox="320 994 1310 1487"> <thead> <tr> <th data-bbox="320 994 879 1059">Exemplar</th> <th data-bbox="879 994 978 1059">Mark</th> <th data-bbox="978 994 1310 1059">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1059 879 1193">Pay to use the logo, products. May have to pay royalties but is likely to increase sales</td> <td data-bbox="879 1059 978 1193">3</td> <td data-bbox="978 1059 1310 1193">Three points</td> </tr> <tr> <td data-bbox="320 1193 879 1294">Pay to use the logo, products. May have to pay royalties</td> <td data-bbox="879 1193 978 1294">2</td> <td data-bbox="978 1193 1310 1294">Only one development</td> </tr> <tr> <td data-bbox="320 1294 879 1395">Where a business sells the rights to use its logo, products, ideas, etc...</td> <td data-bbox="879 1294 978 1395">1</td> <td data-bbox="978 1294 1310 1395">Main understanding only</td> </tr> <tr> <td data-bbox="320 1395 879 1487">May have to pay royalties but is likely to increase sales</td> <td data-bbox="879 1395 978 1487">0</td> <td data-bbox="978 1395 1310 1487">No understanding of the use of logos etc</td> </tr> </tbody> </table>	An element of explanation of franchises: <ul style="list-style-type: none"> • May pay a royalty • Can be restrictive • May pay an initial fee • May pay advertising costs • Likely to increase sales • Examples 	Up to 2 further marks	Understanding of the use of logo, products etc. from an established business	1 mark	Exemplar	Mark	Rationale	Pay to use the logo, products. May have to pay royalties but is likely to increase sales	3	Three points	Pay to use the logo, products. May have to pay royalties	2	Only one development	Where a business sells the rights to use its logo, products, ideas, etc...	1	Main understanding only	May have to pay royalties but is likely to increase sales	0	No understanding of the use of logos etc	3
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2(c)	Analyse <u>one</u> advantage and <u>one</u> disadvantage for Lewis of operating as a small business.				8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
	2	Shows understanding of small business in context	3–4	Good analysis of one disadvantage and one advantage of being a small business in context	4
				Good analysis of one disadvantage or one advantage of being a small business in context	3
	1	Shows knowledge of small business	1–2	Limited analysis of one disadvantage and one advantage of being a small business	2
				Limited analysis of one disadvantage or one advantage of being a small business	1
	0	No creditable content			
	<p>Content</p> <p><i>Advantages:</i></p> <ul style="list-style-type: none"> • Easier to organise – Lewis is the only employee (at the moment), only one set of bookings etc. • Flexibility – Lewis can quickly and easily respond to marketing from the franchises – they however are unlikely to be able to respond as quickly. • Personalised customer service – Lewis has many repeat customers – this suggests he has a good relationship which is probably lacking in a bigger business. <p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> • Access to finance – Lewis may struggle to obtain finance because he on his own and may have limited assets. Shop is rented. • Larger franchises may be able to gain economies of scale which will not be available to Lewis – they are able to charge lower prices and undercut Lewis. • Limited funds to compete against the competition – they are likely to be able to afford above the line promotion methods whereas Lewis is unlikely to be able to access these. 				

Question	Answer			Marks
2(c)	Example of knowledge (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	
	Unlimited liability	Sole trader	So personal possessions are at risk and could lose his house	
	Easy to organise	There is only one employee (himself)	Does not have to create rotas which reduces time taken for paperwork	

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2(d)	Refer to Fig 2.1 and any other relevant information. Evaluate the usefulness of the person specification when recruiting another hairdresser.				11																																				
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2(d)	<ul style="list-style-type: none"> • Specifying a female may be illegal. Why would a female make a better hairdresser? Is it to compliment Lewis (who may specialise in men’s hair) in which case the person specification may be poorly written (need someone who specialises in women’s hair) • No experience, as essential, seems unlikely – Lewis needs them to work on their own – the desirable column should be essential to get what he wants and not waste his time sifting through applications which are unsuitable (for trainees). • Why is ability to work in a team essential when the person will be working on their own? • Good communication makes sense and should help Lewis to maintain his loyal customers. • What does friendly mean – why is it desirable? Is this linked to customer service – could be more specific. <p>Examples of how an answer could develop and how it should be annotated.</p> <table border="1" data-bbox="312 831 1319 1431"> <thead> <tr> <th data-bbox="312 831 523 893">K</th> <th data-bbox="529 831 721 893">APP</th> <th data-bbox="727 831 911 893">AN</th> <th data-bbox="917 831 1098 893">DEV</th> <th data-bbox="1104 831 1319 893">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 902 523 1093">Provides a list of essential and desirable</td> <td data-bbox="529 902 721 1093">E.g. hairdressing qualification</td> <td data-bbox="727 902 911 1093">Limits applicants to those who can do the job</td> <td data-bbox="917 902 1098 1093">Saves interviewing time</td> <td data-bbox="1104 902 1319 1431" rowspan="2">The PS are useful because they limit the number of candidates and any illegal/wrong elements can be easily changed to ensure only quality applicants apply</td> </tr> <tr> <td data-bbox="312 1102 523 1431">May be illegal/discriminatory</td> <td data-bbox="529 1102 721 1431">Between 18–30</td> <td data-bbox="727 1102 911 1431">May lead to a fine</td> <td data-bbox="917 1102 1098 1431">Which reduces profits</td> </tr> </tbody> </table>				K	APP	AN	DEV	EVAL	Provides a list of essential and desirable	E.g. hairdressing qualification	Limits applicants to those who can do the job	Saves interviewing time	The PS are useful because they limit the number of candidates and any illegal/wrong elements can be easily changed to ensure only quality applicants apply	May be illegal/discriminatory	Between 18–30	May lead to a fine	Which reduces profits	
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