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Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/41**

Paper 4 Business Strategy **October/November 2023**

MARK SCHEME

Maximum Mark: Please Specify

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 2023 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 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.

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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.

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)

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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).

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.
- A1, A2, 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 PV's marketing strategy between 2012 and 2021.

<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>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** **No other AO2, AO3 or AO4 marks can be awarded without AO1.** Candidates must show knowledge and understanding, they cannot just mention a key term. • Strategy – A plan of action to achieve a long term aim. • Marketing – the act of promoting and selling products and services. • The contents of a marketing plan: objectives, resources, research, marketing mix (price, product, place, promotion). **AO2 Application** Candidates must apply their answers to marketing and marketing strategy. • Strong brand identity begins in 2012 with rare old cars. • Promotion in specialist magazines is used which changes objective to profit maximisation. • Pricing method later changes to skimming. • Use of TV restoration programme to raise brand awareness in 2015–16 leading to increased brand awareness worldwide. • Use of website and social media to gain customers, brand awareness and sales. • Sponsorship of Formula 2 team to raise brand awareness 2018–2021. **AO3 Analysis** Candidates need to identify an element of the marketing strategy and provide developed analysis to get to A2, this then needs to be counterbalanced to get to A3. If a candidate does this twice, they will gain 8 marks. • A strategy to sell rare old cars in the niche market led to increased brand awareness. [A2] This brand awareness must have been high to attract the interest of a TV company which further developed the brand image. However, this will require specialist marketing to reach the niche. [A3] • The marketing focus changes again to increasing brand awareness with the TV programme. This shows that PV is responsive to marketing opportunities and objectives can be fluid. [A2] But relies on product placement rather than direct advertising which may take longer to improve sales. [A3]	

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Question	Answer	Marks
1	• The sponsorship of FAST continues to focus on brand awareness through an international platform. [A2] However, the sponsorship may not fit with the branding strategy as although costs are increasing by $2m per year, the sponsored team is not providing the success necessary to increase or strengthen the brand image which leads to the marketing being abandoned. [A3] **AO4 Evaluation** Candidates MUST answer the question – a judgement on the strategy between 2012 and 2021. The development and support of this judgement will help them to move through N2 and N3. To award N3 the answer must be in context and draw upon the previous analysis. Evaluation will largely depend on the points raised in the analysis of the marketing strategy of PV. • Overall judgement required on the balance between strengths and weaknesses of PV's approach to its marketing strategy. [N1] • The lack of a formal marketing plan suggests that PV is opportunist, and the approach is based on opportunity rather than a considered marketing strategy. Sales had stalled in 2017 and seemed to struggle to increase indicating the strategy had not worked. • The TV programme was an effective and low-cost advertising method as the programme paid for filming, editing and managing the tv schedule which met the marketing strategy and objectives at the time. This also led to alternative revenue streams which suggests that the strategy to allow filming was successful. • The sponsorship deal, while it could have been lucrative, was reliant on the FAST team who did not perform by 2020–21 – possibly impacting sales while the costs grew to $4m. 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 Jimmy on the extent to which external influences will impact on the success of PV's future business strategy.

<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>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
2	**Indicative content:** **AO1 Knowledge and understanding** **No other AO2, AO3 or AO4 marks can be awarded without AO1.** Candidates must show knowledge and understanding, they cannot just mention a key term. External influences on business activity: • Political and legal • Economic • Social and demographic • Technological • Competitors and suppliers • Environmental • SWOT • PEST **AO2 Application** Candidates MUST apply this to external factors – mainly listed in Appendix 4. • Political – global agreement to reduce carbon emissions/low investment into electric vehicle charging infrastructure. • Economic – fastest rising disposable incomes in the 18–30 range. • Social – growing consumer interest in sustainable production methods. • Technological – advances in battery technology will reduce future cost of electric vehicles. • Legal – rising congestion charges and banning of petrol vehicles in some major cities. • Candidates can use information from the appendices as long as its references in context of external influences.	

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Question	Answer	Marks
2	**AO3 Analysis** Candidates need to identify an external factor and provide developed analysis to get to A2, this then needs to be counterbalanced to get to A3. If a candidate does this twice, they will gain 8 marks. • Political and legal influences may leave Jimmy with no choice as environmental laws change. [A1] Making the switch to electric powered vehicles now means he may gain first mover advantage and increased marketing EoS. [A2] However, as electric vehicles are still relatively new, the laws may evolve, meaning that any skills developed now may be irrelevant in the future. [A3] • Economic influences may force Jimmy to change as customers demand more electric and less petrol vehicles. [A1] As the tools and equipment are expensive and specialist then it may be important to start planning early to ensure that costs can be properly budgeted. [A2] However, as the technology is relatively new, costs are still high which means that the gearing ratio of 75% of PV may not be able to support the investment. [A3] • Social and demographic influences may be important as pressure groups and online communications can quickly target businesses that are not seen to be acting sustainably creating negative publicity for promoting polluting vehicles. [A2] However, the target market of males aged 45–60 for Formula 2 may not be that interested in following popular trends and may withdraw custom to suppliers who continue offering petrol services. [A3] • Technology is changing at a fast pace and even petrol engines now need substantial technological knowledge to perform. [A1] Investing in the newest technology may allow PV to keep ahead of the marketing curve and gain further marketing EoS. [A2] However PV needs to consider whether leasing or purchasing the newer technology is most suitable given the pace of change. [A3] • Competitors and suppliers may erode PV's market share as they adopt new technologies. [A1] This may lead to PV becoming more niche, reducing their brand image and competitiveness. [A2] However, as PV's model has changed from quantity of customers to quality, this may not matter a great deal. [A3] • The growing importance of sustainability may mean the environmental influences may impact on the ability of PV to promote and produce its products. [A2] However PV may be able to utilise the reuse of classic cars as an environmentally friendly way of ensuring that older cars are recycled rather than being sent to scrap. [A3]	

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Question	Answer	Marks
2	**AO4 Evaluation** Candidates MUST answer the question – the extent to which external influences can impact on PV's future. The development and support of this judgement will help them to move through N2 and N3. To award N3 the answer must be in context and draw upon the previous analysis. Evaluation will largely depend on the points raised in the analysis of the external factors of PV. • The dynamic external environment – to what extent will this affect Jimmy's core customer base? Should he do more research into their long-term requirements? • PV restores old cars – only new cars have to be electric so does political/legal really impact his market/niche? • Economic environment – how exposed are they? Gearing is high so changes in interest rates or economy could impact heavily on PV's plans. Depends upon how likely rates are going to change and impact on consumers incomes. • Social – depends on level of demand from key market segments – will old cars be more popular with older customers who don't care about cars being converted to electric vehicles. In the short term will this target the younger generation who want retro cars ready for the modern electric world? • Tech is constantly changing; will the new investor bring specialism in this area to help keep costs down? • Will it depend on the competition and their plans? How niche would PV become? • If PV does nothing how much will it come under pressure from the environmental lobby? How important is the environment to PV and the new venture capitalist? • Candidates can contrast with internal factors but only as a form of evaluation i.e. external factors are not as important because these internal factors will have a bigger impact… Accept all valid responses.	

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