

INTERNATIONAL AS BUSINESS BU02

Unit 2 Managing Operations, Human Resources and Finance

Mark scheme

January 2022

Version: 1.0 Final Mark Scheme

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from oxfordaqaexams.org.uk

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How to mark

Aims

When you are marking your allocation of scripts your main aims should be to:

- recognise and identify the achievements of students
- place students in the appropriate mark band and in the appropriate part of that mark band (high, low, middle)
- record your judgements with brief notes, annotations and comments that are relevant to the mark scheme and make it clear to other examiners how you have arrived at the numerical mark awarded
- put into a rank order the achievements of students (not to grade them – that is done later using the rank order that your marking has produced)
- ensure comparability of assessment for all students, regardless of question or examiner.

Approach

It is important to be **open-minded** and **positive** when marking scripts.

The specification recognises the variety of experiences and knowledge that students will have. It encourages them to study business in a way that is relevant to them. The questions have been designed to give them opportunities to discuss what they have found out about business. It is important to assess the quality of **what the student offers**.

Assessment Objectives

This component requires students to:

AO1	Demonstrate knowledge of terms, concepts, theories, methods and models to show an understanding of how individuals and organisations are affected by and respond to business issues.
AO2	Apply knowledge and understanding to various business contexts to show how individuals and organisations are affected by and respond to issues.
AO3	Analyse issues within business, showing an understanding of the impact on individuals and organisations of external and internal influences.
AO4	Evaluate quantitative and qualitative information to make informed judgements and propose evidence-based solutions to business issues.

The marking grids

The specification has generic marking grids for each Assessment Objective that is customised with indicative content for individual tasks. These have been designed to allow assessment of the range of knowledge, understanding and skills that the specification demands.

Within each Assessment Objective there are three or four broad levels representing different levels of achievement. Do not think of levels as equivalent to grade boundaries.

The indicative content gives examples of the kind of things students might do that would exemplify the level. They are neither exhaustive nor required – they are simply indicative of what would appear at this level. You will find that they sometimes indicate areas of content that can be handled with increasing sophistication and subtlety. You will also find statements which only characterise work at the bottom or top of the range.

Depending on the part of the examination, the levels will have different mark ranges assigned to them. This will reflect the different weighting of Assessment Objectives in particular tasks and across the examination as a whole. You may be required to give different marks to bands for different Assessment Objectives.

Using the grids

These levels of response mark schemes are broken down into levels, each of which has descriptors. The descriptors for the level show the performance characteristics of the level. There is the same number of marks in each level for an individual Assessment Objective. The number of marks per level will vary depending upon the number of marks allocated to the various Assessment Objectives covered by a particular question.

Having familiarised yourself with the descriptors and indicative content, read through the answer and annotate it (as instructed below) to identify the qualities that are being looked for and that it shows. You can now check the levels and award a mark.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptors for that level. The descriptors for the level indicate the different qualities that might be seen in the student's answer for that level.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as in the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level; eg if the response fulfils most but not all of level 3 with a small amount of level 4 material, it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark.

It is often best to start in the middle of the level's mark range and then check and adjust. If there is a lot of indicative content fully identifiable in the work you need to give the highest mark in the level. If only some is identifiable or it is only partially fulfilled, then give the lower mark.

The exemplar materials used during standardisation will also help. There will be an answer in the standardising materials that will correspond with each level of the mark scheme. This answer will have been awarded a mark by the lead examiner. You can compare the student's answer with the example to determine if it is of the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the lead examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

In addition to the generic descriptors (presented in bold text), paper-specific indicative descriptors (presented in plain text) are provided as a guide for examiners. These are not intended to be exhaustive and you must credit other valid points.

An answer that contains nothing of relevance to the question must be awarded no marks.

Examiners are required to assign each of the students' responses to the most appropriate level according to its overall quality, then allocate a single mark within the level. When deciding upon a mark in a level examiners should bear in mind the relative weightings of the Assessment Objectives and be careful not to over/under credit a particular skill. For example, in question 12, 13 and 14 more weight should be given to AO4 than to AO1, AO2 and AO3. This will be exemplified and reinforced as part of examiner training.

Annotating scripts

You should write a summative comment at the end for each Assessment Objective and indicate the marks for each Assessment Objective being tested at the end of the answer in the margin in sequence. It is vital that the way you arrive at a mark should be recorded on the script. This will help you with making accurate judgements and it will help any subsequent markers to identify how you are thinking. Please do not write negative comments about students' work; this is unprofessional and it impedes a positive marking approach.

Section A

Total for this section: 17 marks

Question	Part	Marking guidance	Total marks
1		<p>Which of the following would most likely be an objective for the human resources department?</p> <p>Answer: B (Improving diversity)</p>	<p>1</p> <p>AO1 = 1</p>

Question	Part	Marking guidance	Total marks									
2		<p>A business has the following operational information:</p> <table border="1" data-bbox="389 801 1262 967"> <thead> <tr> <th></th> <th>Actual Output (units)</th> <th>Maximum Capacity (units)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>900</td> <td>1200</td> </tr> <tr> <td>2021</td> <td>800</td> <td>1000</td> </tr> </tbody> </table> <p>Which of the following statements is true?</p> <p>Answer: C (Capacity utilisation increased in 2021)</p>		Actual Output (units)	Maximum Capacity (units)	2020	900	1200	2021	800	1000	<p>1</p> <p>AO1 = 1</p>
	Actual Output (units)	Maximum Capacity (units)										
2020	900	1200										
2021	800	1000										

Question	Part	Marking guidance	Total marks
3		<p>Statement 1: Debentures are a long-term source of finance issued by a company.</p> <p>Statement 2: Debentures give the lender a share in the company.</p> <p>Read Statements 1 and 2 and select the correct option from the following:</p> <p>Answer: C (Statement 1 is true. Statement 2 is false)</p>	<p>1</p> <p>AO1 = 1</p>

Question	Part	Marking guidance	Total marks
4		<p>A business has decided to increase the number of its employees who are teleworking.</p> <p>Explain one financial benefit of this to the business.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Overheads should decrease as less office space will be needed. • Lower absenteeism. • Increased staff retention. • Reduced costs such as utilities and supplies. <p>Credit valid alternative content.</p> <p>Good response – 3 marks Explains why an increase in the number of employees teleworking could benefit the business financially.</p> <p>Reasonable response – 2 marks Explains a benefit of teleworking for the business but does not link it to finance.</p> <p>Limited response – 1 mark Identifies relevant points with little or no explanation.</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Question	Part	Marking guidance	Total marks
5		<p>Explain one benefit to a luxury fashion manufacturer of producing items to order.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Producing to order can increase customer satisfaction as the product is made to the customer requirements and this can lead to increased customer loyalty. • Fashion changes rapidly – producing to order can mean that the manufacturer does not need to hold stock which could become obsolete, saving the business money. • Customers are more likely to pay a higher price if the clothing is made to order, increasing profit margins for the manufacturer. <p>Credit valid alternative content.</p> <p>Good response – 3 marks Links the benefit of producing to order to a luxury fashion manufacturer.</p> <p>Reasonable response – 2 marks Explains a benefit of producing to order but does not link it to a luxury fashion designer.</p> <p>Limited response – 1 mark Identifies relevant points with little or no explanation.</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Question	Part	Marking guidance	Total marks						
6		<p>The following information refers to a business in 2021:</p> <table border="1" data-bbox="418 412 1233 551"> <tbody> <tr> <td data-bbox="418 412 826 456">Sales Revenue</td> <td data-bbox="826 412 1233 456">\$1 300 000</td> </tr> <tr> <td data-bbox="418 456 826 501">Total Costs</td> <td data-bbox="826 456 1233 501">\$940 000</td> </tr> <tr> <td data-bbox="418 501 826 551">Number of Employees</td> <td data-bbox="826 501 1233 551">40</td> </tr> </tbody> </table> <p>Calculate the profit per employee.</p> <p>Answer $\\$360,000/40 = \\9000 (2 marks) (if no \$ sign still award 2 marks)</p> <p>Attempts calculation/calculates total profit ($\\$1,300,000 - \\$940,000$) = $\\$360,000$ (1 mark)</p>	Sales Revenue	\$1 300 000	Total Costs	\$940 000	Number of Employees	40	<p>2</p> <p>AO1 = 1 AO2 = 1</p>
Sales Revenue	\$1 300 000								
Total Costs	\$940 000								
Number of Employees	40								

Question	Part	Marking guidance	Total marks
7		<p>A car manufacturer has a global supply chain and sells its cars internationally.</p> <p>Explain one reason why logistics management is important for this car manufacturer.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • The business will need to move its cars around the world to reach its customers – cars are large and heavy and will need specialist transport and paperwork to move them internationally. Managing logistics will help the business ensure cars are delivered on time and not delayed due to issues with transport or delays in paperwork. This will allow the manufacturer to increase customer satisfaction. • Key components will be more likely to arrive on time if logistics are managed correctly, avoiding running out of supplies which could hold up production lines and cost the business, allowing the international business to source cost effective materials from around the world. • Managing logistics could involve developing relationships with logistics suppliers such as shipping and warehousing companies. This can allow the business access to more cost-effective components around the world to allow them to be more competitive. • Managing logistics, for example, choosing cost effective shipping suppliers can save the business money, increasing profit and making the business more competitive. <p>Credit valid alternative content.</p> <p>Good response – 3 marks Links the reason why managing logistics is important to a business with a global supply chain and/or sells cars internationally.</p> <p>Reasonable response – 2 marks Explains a reason why it is important but does not link the reason to an international business.</p> <p>Limited response – 1 mark Identifies relevant points with little or no explanation.</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Question	Part	Marking guidance	Total marks															
8		<p>The table below shows a statement of cash flow for a business.</p> <table border="1" data-bbox="402 412 1249 642"> <thead> <tr> <th></th> <th>January \$</th> <th>February \$</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td>(35 000)</td> <td></td> </tr> <tr> <td>Cash Inflows</td> <td>24 000</td> <td>28 000</td> </tr> <tr> <td>Cash Outflows</td> <td>18 000</td> <td>20 000</td> </tr> <tr> <td>Closing Balance</td> <td></td> <td></td> </tr> </tbody> </table> <p>Calculate the closing balance for the business in February.</p> <p>Calculates opening balance for February (\$29 000) 1 mark</p> <p>Net cash flow is (\$28 000 – \$20 000) = \$8000 1 mark</p> <p>Closing balance is (\$29 000) + \$8000 = (\$21 000) 1 mark</p> <p>If correct answer of (\$21,000) or -\$21,000 given 3 marks awarded.</p> <p>Further guidance: use own figure rule (OFR)</p>		January \$	February \$	Opening Balance	(35 000)		Cash Inflows	24 000	28 000	Cash Outflows	18 000	20 000	Closing Balance			<p>3</p> <p>AO1 = 1 AO2 = 2</p>
	January \$	February \$																
Opening Balance	(35 000)																	
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Cash Outflows	18 000	20 000																
Closing Balance																		

Section B

Total for this section: 27 marks

Question	Part	Marking guidance	Total marks
9		Analyse how the use of flexible labour might help make a restaurant become more competitive.	9 AO1 = 3 AO2 = 3 AO3 = 3

Examiners are reminded that AO1, AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question.

Level	Marks	Descriptor
3	7 – 9	A good response that focuses on many of the demands of the question <ul style="list-style-type: none"> includes well-focused analysis with logical chains of reasoning includes well-focused application to the given context shows sound knowledge and understanding of business terminology and concepts with few, if any, errors is well-structured.
2	4 – 6	A reasonable response which focuses on some of the demands of the question <ul style="list-style-type: none"> includes reasonable analysis but the analysis might not be fully developed or may lack some accuracy in places includes reasonable application to the given context focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present.
1	1 – 3	A limited response that has little focus on the demands of the question A limited response with some understanding that may: <ul style="list-style-type: none"> include some limited analysis but lacks focus and development include some limited application to the given context include some limited knowledge and understanding of business terminology and concepts but some errors are likely.
	0	No credit worthy material.

The demands of the question are:

- to analyse how the use of flexible labour
- could help make a restaurant
- become more competitive.

Indicative content includes:

- the use of flexible labour such as part-time and temporary workers can mean that the workforce can be optimised at times when the restaurant needs it, ie at weekends they can increase staffing to meet increased demand
- having a flexible workforce can cut the costs of a business as they will not need to pay workers when they do not need them. This will allow them to increase profit which can be re-invested in the business to make it more competitive
- flexible labour will allow the restaurant to use a shift pattern which suits the restaurant industry, as hours can be unsociable
- flexible labour means that the business can use zero hour contracts which can allow the business to increase hours of these workers at short notice when they need them, again, helping the restaurant to meet unexpected increases in demand, meeting customer needs and increasing competitiveness.
- flexible labour contracts may attract certain employees that improve the pool of labour available for the restaurant making it more competitive.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
10		<p>A business has a low profit per employee.</p> <p>Analyse how the business could increase this by working more closely with trade unions.</p>	<p>9</p> <p>AO1 = 3 AO2 = 3 AO3 = 3</p>

Examiners are reminded that AO1, AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question.

Level	Marks	Descriptor
3	7 – 9	<p>A good response that focuses on many of the demands of the question</p> <ul style="list-style-type: none"> • includes well-focused analysis with logical chains of reasoning • includes well-focused application to the given context • shows sound knowledge and understanding of business terminology and concepts with few, if any, errors • is well-structured.
2	4 – 6	<p>A reasonable response which focuses on some of the demands of the question</p> <ul style="list-style-type: none"> • includes reasonable analysis but the analysis might not be fully developed or may lack some accuracy in places • includes reasonable application to the given context • focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present.
1	1 – 3	<p>A limited response that has little focus on the demands of the question</p> <p>A limited response with some understanding that may:</p> <ul style="list-style-type: none"> • include some limited analysis but lacks focus and development • include some limited application to the given context • include some limited knowledge and understanding of business terminology and concepts but some errors are likely.
	0	No credit worthy material.

The demands of the question are:

- to analyse how a business in the given context
- could increase its profit per employee
- by working closely with trade unions.

Indicative content includes:

- trade unions can help employers communicate with their employees which can improve employer relations ensuring employees feel recognised, in turn improving staff morale, leading to higher productivity, lower costs per unit and increased profit per employee
- help employees feel safe by building trust among the workforce which could lead to lower absenteeism, higher productivity, lower costs and increased profit
- can help identify and solve problems quickly which can help develop good relations, reducing costs therefore increasing profit
- trade unions can help employees by giving legal advice which can help with communications with their employers, resolving problems quickly, improving productivity and increasing profit.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
11		<p>The operations department of a business has an objective to increase labour productivity.</p> <p>Analyse how the human resources department could help the operations department meet this objective.</p>	<p>9</p> <p>AO1 = 3 AO2 = 3 AO3 = 3</p>

Examiners are reminded that AO1, AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question.

Level	Marks	Descriptor
3	7 – 9	<p>A good response that focuses on many of the demands of the question</p> <ul style="list-style-type: none"> • includes well-focused analysis with logical chains of reasoning • includes well-focused application to the given context • shows sound knowledge and understanding of business terminology and concepts with few, if any, errors • is well-structured.
2	4 – 6	<p>A reasonable response which focuses on some of the demands of the question</p> <ul style="list-style-type: none"> • includes reasonable analysis but the analysis might not be fully developed or may lack some accuracy in places • includes reasonable application to the given context • focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present.
1	1 – 3	<p>A limited response that has little focus on the demands of the question</p> <p>A limited response with some understanding that may:</p> <ul style="list-style-type: none"> • include some limited analysis but lacks focus and development • include some limited application to the given context • include some limited knowledge and understanding of business terminology and concepts but some errors are likely.
	0	No credit worthy material.

The demands of the question are:

- to analyse how the human resources department
- could help the operations department
- increase labour productivity.

Indicative content includes:

- the human resources department could work with the operations managers to help to organise training for the workers which could help increase productivity
- the human resources department is responsible for setting financial (negotiating payment methods) and non-financial incentives (job design) which could motivate workers and make them more productive
- the human resources department is responsible for developing the performance management/appraisal process which operations managers could use to set employees targets which could help to increase productivity
- the human resources department determines the organisational structure of the business – a flatter structure could empower workers which could improve motivation and productivity.
- the human resources department can identify under-performing employees and adjust their role to reduce impact on productivity.
- The human resources department is responsible for recruitment and selection, they could support the objective by recruiting highly skilled employees to improve productivity.

Credit valid alternative content.

Section C

Total for this section: 36 marks

Question	Part	Marking guidance	Total marks
12		<p>A global public limited company has always made its investment decisions for new overseas locations based on them having a high return on investment. The Managing Director thinks the business needs to start considering environmental issues to make these decisions. Do you agree?</p> <p>Assess the arguments for and against considering environmental issues when making these decisions and make a judgement.</p>	<p>12</p> <p>AO1 = 2 AO2 = 2 AO3 = 3 AO4 = 5</p>

Examiners are reminded that AO1, AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question. More weight should therefore be given to AO4 than AO1, AO2 and AO3.

Level	Marks	Descriptor
4	10 – 12	<p>An excellent response that focuses fully on the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and well-supported evaluation:</p> <ul style="list-style-type: none"> • includes supported evaluation in a final conclusion and within response • includes well-focused analysis with clear, logical chains of reasoning • includes well-focused application to the given context • shows sound knowledge and understanding of business terminology and with few, if any, errors • is well-structured and well-focused on the question. <p>A complete and coherent overall argument with a clear conclusion. The conclusion is arrived at through a balancing of arguments, with appropriate weight given to each argument and to the argument overall. Where there are crucial arguments, these are distinguished from less crucial ones.</p>

3	7 – 9	<p>A good response that focuses on many of the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and some supported evaluation:</p> <ul style="list-style-type: none"> • includes some reasonable, supported evaluation • includes analysis with some logical chains of reasoning • includes some good application to the given context • shows sound knowledge and understanding of business terminology and concepts with relatively few errors • is relatively well-structured and generally focused on the question. <p>A relatively complete and coherent argument leading to an attempt to conclude. The content is detailed and correct and most of it is integrated. There is recognition of arguments and counter-arguments, but balance is not always present and the weight to be given to each argument is not always fully clear.</p>
2	4 – 6	<p>A reasonable response which focuses on some of the demands of the question</p> <p>Some reasonable analysis but generally unsupported evaluation:</p> <ul style="list-style-type: none"> • there is likely to be some attempt to make relevant evaluation but this has little support from arguments or does not address the question as a whole • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes reasonable application to the given context • shows satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present • there is an attempt to answer the question. There is likely to be a conclusion but it has little support and response may lack balance. The content is largely correct, though there may be some gaps and lack of detail.
1	1 – 3	<p>A limited response that has little focus on the demands of the question</p> <p>A limited response with some understanding:</p> <ul style="list-style-type: none"> • includes no evaluation or attempts evaluation but this is unsupported • includes some limited analysis but it may lack focus and/or become confused • includes some limited application to the given context • includes some limited knowledge and understanding of business terminology and concepts but errors are likely.
	0	<p>No credit worthy material.</p>

The demands of the question are:

- to assess the arguments for and against
- considering environmental impacts when making investment decisions
- in the given context
- and make a judgement.

Indicative Content

Arguments for:

- setting and meeting environmental objectives could attract financial investment/support in the form of government grants/support which could improve their ROI and help them to make the initial investment
- considering environmental objectives could make the investment more sustainable in the longer term which could increase ROI overall
- considering environmental objectives could encourage innovation which could improve the competitiveness of the business, increasing ROI in the longer term and making the business more attractive to investors
- could attract a better calibre of staff which could help with competitiveness.

Arguments against:

- if trying to meet environmental objectives costs could increase, particularly in the short term, which would reduce their ROI and could stop them from making the investment if they still use the same measures as previously
- considering environmental objectives could lengthen the time it takes to make the investment/decision which could impact on competitiveness
- shareholders may be more interested in the short-term return on investment – setting and meeting environmental objectives might reduce this and they may sell their shares
- competitors may not be considering the environmental impact on their investment decisions and may be able to move quicker and take advantage.

Overall it depends on the type of industry it operates in and if competitors are doing the same. The values of the business and their shareholders is important and needs to be considered. Is profit or ethics more important to the business? It can also depend on the time they have to make the decision, whether the short term or long-term return is more important to the business.

Credit valid alternative content. No decision is right or wrong but should be assessed on the quality of argument.

Question	Part	Marking guidance	Total marks
13		<p>An entrepreneur is looking for finance to launch her first product. She has decided to use venture capital instead of crowdfunding. Is this a good idea?</p> <p>Assess the arguments for and against using venture capital instead of crowdfunding and make a judgement.</p>	<p>12</p> <p>AO1 = 2 AO2 = 2 AO3 = 3 AO4 = 5</p>

Examiners are reminded that AO1, AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question. More weight should therefore be given to AO4 than AO1, AO2 and AO3.

Level	Marks	Descriptor
4	10 – 12	<p>An excellent response that focuses fully on the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and well-supported evaluation:</p> <ul style="list-style-type: none"> • includes supported evaluation in a final conclusion and within response • includes well-focused analysis with clear, logical chains of reasoning • includes well-focused application to the given context • shows sound knowledge and understanding of business terminology and with few, if any, errors • is well-structured and well-focused on the question. <p>A complete and coherent overall argument with a clear conclusion. The conclusion is arrived at through a balancing of arguments, with appropriate weight given to each argument and to the argument overall. Where there are crucial arguments, these are distinguished from less crucial ones.</p>
3	7 – 9	<p>A good response that focuses on many of the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and some supported evaluation:</p> <ul style="list-style-type: none"> • includes some reasonable, supported evaluation • includes analysis with some logical chains of reasoning • includes some good application to the given context • shows sound knowledge and understanding of business terminology and concepts with relatively few errors • is relatively well-structured and generally focused on the question. <p>A relatively complete and coherent argument leading to an attempt to conclude. The content is detailed and correct and most of it is integrated. There is recognition of arguments and counter-arguments, but balance is not always present and the weight to be given to each argument is not always fully clear.</p>

<p>2</p>	<p>4 – 6</p>	<p>A reasonable response which focuses on some of the demands of the question</p> <p>Some reasonable analysis but generally unsupported evaluation:</p> <ul style="list-style-type: none"> • there is likely to be some attempt to make relevant evaluation but this has little support from arguments or does not address the question as a whole • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes reasonable application to the given context • shows satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present • there is an attempt to answer the question. There is likely to be a conclusion but it has little support and response may lack balance. The content is largely correct, though there may be some gaps and lack of detail.
<p>1</p>	<p>1 – 3</p>	<p>A limited response that has little focus on the demands of the question</p> <p>A limited response with some understanding:</p> <ul style="list-style-type: none"> • includes no evaluation or attempts evaluation but this is unsupported • includes some limited analysis but it may lack focus and/or become confused • includes some limited application to the given context • includes some limited knowledge and understanding of business terminology and concepts but errors are likely.
	<p>0</p>	<p>No credit worthy material.</p>

The demands of the question are:

- to assess the arguments for and against
- using venture capital instead of crowdfunding
- in the given context
- and make a judgement.

Indicative Content

Possible arguments for:

- a venture capitalist can give specialist advice to the entrepreneur to support the product launch
- the entrepreneur could be more likely to get the finance from the venture capitalist as venture capitalists are more likely to invest in risky businesses than other investors. As she is inexperienced (this is her first product) she could be seen as high risk
- large sums of money can be obtained relatively quickly which could help to launch the product before competitors move into the market
- there is less marketing to do than with crowdfunding as you are not having to convince the public to invest – this could be important as she might not have a large marketing budget due to this being her first product.

Possible arguments against:

- the entrepreneur will lose some control of the business as the venture capitalist will take a share in the business in return for the investment. They are likely to want to take a larger share in the business and influence decision-making more than crowdfunding investors which may restrict the entrepreneur in the future
- crowdfunding might gain more brand awareness of the new venture which could create publicity
- crowdfunding might allow her to attract customers to the business and is a good way of creating brand loyalty as customers have invested into the business
- crowdfunding can be used as test marketing for the new product which is important as it is her first product and might not work.

Overall it depends on how well experienced the entrepreneur is and if it would be useful to gain some support and guidance from the venture capitalist. Whether the decision is right will depend on the amount of money she needs and how much share of the business she will be giving away. As the product is the first a venture capitalist might be the only choice of finance as other lenders may not want to take the risk. Also, due to the high risk it is likely the entrepreneur might need to have support and guidance which makes the venture capitalist a sensible choice.

Credit valid alternative content. No decision is right or wrong but should be assessed on the quality of argument.

Question	Part	Marking guidance	Total marks
14		<p>A business has decided to increase wages to try to reduce labour turnover.</p> <p>With reference to theories of motivation, assess the arguments for and against this decision and make a judgement.</p>	<p>12</p> <p>AO1 = 2 AO2 = 2 AO3 = 3 AO4 = 5</p>

Examiners are reminded that AO1, AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question. More weight should therefore be given to AO4 than AO1, AO2 and AO3.

Level	Marks	Descriptor
4	10 – 12	<p>An excellent response that focuses fully on the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and well-supported evaluation:</p> <ul style="list-style-type: none"> • includes supported evaluation in a final conclusion and within response • includes well-focused analysis with clear, logical chains of reasoning • includes well-focused application to the given context • shows sound knowledge and understanding of business terminology and with few, if any, errors • is well-structured and well-focused on the question. <p>A complete and coherent overall argument with a clear conclusion. The conclusion is arrived at through a balancing of arguments, with appropriate weight given to each argument and to the argument overall. Where there are crucial arguments, these are distinguished from less crucial ones.</p>
3	7 – 9	<p>A good response that focuses on many of the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and some supported evaluation:</p> <ul style="list-style-type: none"> • includes some reasonable, supported evaluation • includes analysis with some logical chains of reasoning • includes some good application to the given context • shows sound knowledge and understanding of business terminology and concepts with relatively few errors • is relatively well-structured and generally focused on the question. <p>A relatively complete and coherent argument leading to an attempt to conclude. The content is detailed and correct and most of it is integrated. There is recognition of arguments and counter-arguments, but balance is not always present and the weight to be given to each argument is not always fully clear.</p>

<p>2</p>	<p>4 – 6</p>	<p>A reasonable response which focuses on some of the demands of the question</p> <p>Some reasonable analysis but generally unsupported evaluation:</p> <ul style="list-style-type: none"> • there is likely to be some attempt to make relevant evaluation but this has little support from arguments or does not address the question as a whole • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes reasonable application to the given context • shows satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present • there is an attempt to answer the question. There is likely to be a conclusion but it has little support and response may lack balance. The content is largely correct, though there may be some gaps and lack of detail.
<p>1</p>	<p>1 – 3</p>	<p>A limited response that has little focus on the demands of the question</p> <p>A limited response with some understanding:</p> <ul style="list-style-type: none"> • includes no evaluation or attempts evaluation but this is unsupported • includes some limited analysis but it may lack focus and/or become confused • includes some limited application to the given context • includes some limited knowledge and understanding of business terminology and concepts but errors are likely.
	<p>0</p>	<p>No credit worthy material.</p>

The demands of the question are:

- to assess the arguments for and against using increased wages
- in the given context
- using motivational theories
- and make a judgement.

Indicative Content

Possible arguments for:

- according to Taylor's Theory of Scientific Management workers are motivated by pay if they are motivated and it is more likely that they will remain with the business, reducing labour turnover
- if the business pays more than their competitors, workers may be more likely to stay with the business, reducing labour turnover.

Possible arguments against:

- according to Herzberg pay is a hygiene factor and needs to be in place to satisfy workers, however motivators such as recognition and promotional opportunities need to be in place to increase job satisfaction. If these are not present as well as the increase in pay labour turnover may increase as workers are not fully satisfied
- Maslow's hierarchy of needs indicates that workers' basic needs (pay) is the lowest level of the hierarchy and, similar to Herzberg, they need their other needs such as safety, belonging and esteem needs satisfied to be fully motivated. If these other needs are not met, workers may still leave the business.

Overall it depends on the types of workers the business has – low-skilled workers who need supervision are more likely to respond well to higher pay and stay with the business, especially if the competitor is paying less. However, there are other needs that should be satisfied such as safety, esteem and belonging. If these are not satisfied then pay alone is less likely to motivate workers to stay with the business.

Credit valid alternative content. No decision is right or wrong but should be assessed on the quality of argument.

Assessment Objective Grid

	AO1	AO2	AO3	AO4	Total
Section A					
1	1				1
2	1				1
3	1				1
4	1	2			3
5	1	2			3
6	1	1			2
7	1	2			3
8	1	2			3
Section B					
9	3	3	3		9
10	3	3	3		9
11	3	3	3		9
Section C					
12	2	2	3	5	12
13	2	2	3	5	12
14	2	2	3	5	12
Unit Total	23	24	18	15	80