

CONFERENCE VERSION – 09/06/2023

CONFIDENTIAL



GCE A LEVEL MARKING SCHEME

SUMMER 2023

**A LEVEL
BUSINESS – COMPONENT 1
A510U10-1**

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GENERAL MARKING GUIDANCE

Positive Marking

It should be remembered that learners are writing under examination conditions and credit should be given for what the learner writes, rather than adopting the approach of penalising him/her for any omissions. It should be possible for a very good response to achieve full marks and a very poor one to achieve zero marks. Marks should not be deducted for a less than perfect answer if it satisfies the criteria of the mark scheme, nor should marks be added as a consolation where they are not merited.

For each question there is a list of indicative content which suggest the range of business concepts, theory, issues and arguments which might be included in learners' answers. This is not intended to be exhaustive and learners do not have to include all the indicative content to reach the highest level of the mark scheme.

The level-based mark schemes sub-divide the total mark to allocate to individual assessment objectives. These are shown in bands in the mark scheme. For each assessment objective a descriptor will indicate the different skills and qualities at the appropriate level. Learner's responses to questions are assessed against the relevant individual assessment objectives and they may achieve different bands within a single question. A mark will be awarded for each assessment objective targeted in the question and then totalled to give an overall mark for the question.

EDUQAS GCE A LEVEL BUSINESS

COMPONENT 1: BUSINESS OPPORTUNITIES AND FUNCTIONS

SUMMER 2023 MARK SCHEME

Section A

Q.		Total
1.	<p>Outline the features of the following types of market: Monopoly Monopolistic competition</p> <p>AO1: 4 marks</p> <p>Award 1 mark for each valid feature of a monopoly market. (Max 2) Award 1 mark for each valid feature of a monopolistic market. (Max 2)</p> <p>Indicative content:</p> <p>Monopoly: a single or dominant business within a market (could be a pure monopoly with 100% market share or, most likely, a business with 25% or more market share, which could be regarded as a monopoly according to UK/EU competition authorities); barriers to entry; price makers; high economies of scale.</p> <p>Monopolistic competition: many relatively small businesses; no dominant businesses; few barriers to entry; similar products with some differentiation; weak brand identity; some control over prices but essentially might be price takers and competition might be price-based.</p>	2 2

Q.		Total
2. (a) (i)	<p>Calculate Decrease the Load's costs for 2021.</p> <p>AO2: 1 mark</p> <p>Award 1 mark for correct answer</p> <p>$£110\ 000 - £20\ 000 = (£)90\ 000$ (1)</p>	1
(ii)	<p>Calculate the percentage change in revenue between 2020 and 2022.</p> <p>AO2: 2 marks</p> <p>Award 2 marks for correct answer</p> <p>$(£107\ 000 - £105\ 000) / £105\ 000$ (1)</p> <p>0.019 (1) $\times 100 = 1.9\%$ (2)</p> <p>Award 2 marks for correct answer without workings. Award 1 mark for correct figure without % sign.</p>	2
(b)	<p>Outline two possible reasons for the change in Decrease the Load's profit over the three-year period.</p> <p>AO1: 2 marks AO2: 2 marks</p> <p>Award 1 mark for each valid reason provided for change in profit. (Max 2) Award 1 mark for each valid application to the case study. (Max 2)</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • Wage costs could have increased because of the increased average hours of her staff • Increase in competition leading to less revenue • Repayment of bank loan • Rent costs could have increased • Increase in advertising costs • Cost of the maintenance and repair contract <p>Award any other valid point. Award 1 mark for increase in costs without any further explanation.</p>	4

Q.					Total
©	Evaluate the impact of the change in profits on the stakeholders of Decrease the Load.				10
Band	AO1	AO2	AO3	AO4	
	2 marks	2 marks	3 marks	3 marks	
3			<p>3 marks</p> <p>Excellent analysis of how a change in profit impacts at least two stakeholders.</p> <p>Analysis shows balance.</p> <p>Logical chains of reasoning are evident.</p>	<p>3 marks</p> <p>A well-balanced and well-detailed evaluation how a change in profit impacts at least two stakeholders.</p> <p>Judgements are convincing and well-supported.</p> <p>Qualifying statements may be used.</p>	
2	<p>2 marks</p> <p>Good knowledge of how a fall in profit impacts stakeholders.</p> <p>Clear references to at least 2 stakeholders are made.</p>	<p>2 marks</p> <p>Good application to Decrease the Load's context.</p> <p>Application is clear and specific.</p> <p>Information from the case is used well to support points.</p>	<p>2 marks</p> <p>Good analysis of how a change in profit impacts at least two stakeholders.</p> <p>Clear explanations of the impact of a change in profit on stakeholders.</p> <p>Candidate develops the explanation with supporting from the data.</p>	<p>2 marks</p> <p>Good evaluation of how a change in profit impacts at least two stakeholders.</p> <p>Judgement is detailed and supported with clear reasoning.</p> <p>Lines of evaluation are developed.</p>	
1	<p>1 mark</p> <p>Limited knowledge of how a change in profit impacts stakeholders.</p> <p>Limited references to stakeholder(s) are made.</p>	<p>1 mark</p> <p>Limited application to Decrease the Load's context.</p> <p>The response is mainly theoretical with the inclusion of some examples from the case.</p> <p>Limited use of data.</p>	<p>1 mark</p> <p>Limited analysis of how a change in profit impacts stakeholder(s).</p> <p>The analysis is likely to be one-sided.</p> <p>Superficial points with limited development.</p>	<p>1 mark</p> <p>Evaluation is limited and is likely to be one-sided and may only include one stakeholder.</p> <p>The candidate makes partial judgements, with some attempt to support their evaluation.</p>	
0	<p>0 marks</p> <p>No valid knowledge.</p>	<p>0 marks</p> <p>No valid application.</p>	<p>0 marks</p> <p>No valid analysis.</p>	<p>0 marks</p> <p>No valid evaluation.</p>	

Indicative content:

- Denise (owner) – a future fall in profit is likely to cause a lot of stress, pressure and hard work in trying to improve profit and prevent it from continuing to fall. Denise's livelihood suffers as a fall in profit can affect how much she can withdraw from Decrease the Load. She might have to close her business.
- Bank – Decrease the Load may not be able to continue to make repayments on the loan. This depends on how much cash is available to continue making payments and how much money is left to pay on the loan. As Denise is a sole trader, she might prioritise loan repayments to avoid personal assets being taken.
- Customers who work in the town – if Decrease the Load closes, they could use another provider in the local area. This might cause a little inconvenience and they might pay a little more money. The impact might be small.
- Customers who live in the area – if Denise increases prices to try to increase profits then Decrease the Load might become unaffordable for low income customers. This depends on how much prices increase and how loyal customers are. There are other businesses to choose from but customer satisfaction might fall. Quality of service might fall as Denise and her employees are more stressed. Customers might benefit from the affordable prices, despite the lower profit for Denise.
- Employees – part time staff might be made redundant or have their working hours reduced as a way of cutting costs. They are likely to have less job security.
- Repair and maintenance supplier – Decrease the Load may not be able to afford to renew the service if payments stop at the end of the year. But the machines are essential to Decrease the Load's operations so the contract may be renewed, especially because the business is busy.
- Competitors – likely to benefit from Decrease the Load if they have to close, put prices up or the quality of service suffers.
- Owner of retail unit – since the location is on a busy high street, if Decrease the Load closes, the owner could find someone else to occupy it.

Possible themes for evaluation

- Profit is not the same as cash so it depends how much cash Decrease the Load has to continue to pay costs. In the long term, cash will likely run out if costs continue to be higher than revenue in the context of a small business.
- Many stakeholders will suffer as a result of sustained falls in profit, especially if these continue in the future. Denise could make changes to cut costs and / or increase revenue to attempt to increase profit.
- Denise and her employees might be affected the most as internal stakeholders, especially in the term short.
- Decrease the Load is still making a profit, therefore the impact may be limited.
- Competitors are likely to benefit but all other stakeholders could potentially be negatively affected if Decrease the Load closes or there are adverse changes to the quality of services provided.

Credit any other valid point.

Q.					Total
3.	Evaluate the two sources of finance and recommend how RE-Cycle Ltd's second location should be financed.				10
Band	AO1	AO2	AO3	AO4	
	2 marks	2 marks	2 marks	4 marks	
3				<p>4 marks</p> <p>Evaluation is excellent.</p> <p>A well-balanced and well-detailed recommendation is made on how to finance the expansion.</p> <p>Qualifying statements may be used.</p>	
2	<p>2 marks</p> <p>Good knowledge of both sources of finance.</p> <p>Features of both sources of finance are identified.</p>	<p>2 marks</p> <p>Good application to RE-Cycle Ltd.</p> <p>Information from the case study is used in context.</p>	<p>2 marks</p> <p>Good analysis of the sources of finance available to RE-Cycle Ltd.</p> <p>Analysis of both sources of finance is included.</p> <p>Chains of reasoning are evident.</p>	<p>2-3 marks</p> <p>Evaluation is good.</p> <p>A well-reasoned and balanced recommendation is made on how to finance the expansion.</p> <p>Clear judgement is made with supporting statements.</p>	
1	<p>1 mark</p> <p>Limited knowledge of one or both sources of finance.</p> <p>A feature of one source of finance is identified.</p>	<p>1 mark</p> <p>Limited application to RE-Cycle Ltd.</p> <p>Reference to the case study is limited.</p>	<p>1 mark</p> <p>Limited analysis of the sources of finance available to RE-Cycle Ltd.</p> <p>Analysis is one-sided or not complete for two sources of finance.</p> <p>Underdeveloped points are made.</p>	<p>1 mark</p> <p>Evaluation is limited.</p> <p>The candidate recommends a source of finance.</p> <p>Judgement is made with limited support.</p>	
0	<p>0 marks</p> <p>No valid knowledge</p>	<p>0 marks</p> <p>No valid application</p>	<p>0 marks</p> <p>No valid analysis</p>	<p>0 marks</p> <p>No valid evaluation</p>	

Indicative content:

Bank loan

- Fixed interest rate and fixed monthly repayment amount will allow RE-Cycle Ltd to budget.
- The loan becomes available immediately if agreed.
- Banks may be willing to offer advice and guidance.
- Interest is charged on the loan, which is an additional cost of £5 697 over the quoted loan period ($£844.95 \times 60 \text{ months} = £50\,697$).
- The loan may be difficult for RE-Cycle Ltd to obtain since it has only been operating one year. Rayna and Erin may have to provide security for the loan.
- Equity is retained meaning that control is not lost by taking out a bank loan. Rayna and Erin continue to make all decisions and do not have to pay dividends or share profits.

Share capital

- Ranesh may have some transferable skills to help with running RE-Cycle Ltd, helping to ease pressure on the second location by managing it. More ideas brought into the business.
- Ranesh will have an incentive to provide advice and guidance to help RE-Cycle Ltd succeed.
- Equity of 30% is given up in return for the investment amount. Rayna and Erin assumed to have 35% each (70% between them still give the majority) but there could be conflict between family and friends). There is some dilution of ownership.
- No interest is charged on the investment and the share capital does not have to be paid back, but Ranesh might expect dividends and a salary for managing the second location.

Possible themes for evaluation:

- The bank loan has not yet been applied for. With RE-Cycle Ltd only opening one year ago, the bank might not approve the whole £45 000. Security on personal assets might be a condition of the loan. Another bank might lend the money, but there is no guarantee of the interest rate, loan amount or payment term being the same.
- The estimated total cost of repaying the loan with interest is £50 697 over five years. Can Rayna and Erin afford the repayments? Share capital does not have to be repaid.
- A decision to involve Ranesh into the business will require careful thought, discussion and planning. Details concerning decision making, voting and distribution of profits will need to be agreed.
- It might be possible to combine a smaller bank loan with some share capital – this would reduce interest costs and reduce the dilution of ownership.
- The financing decision is an important one with long term implications and should therefore be made carefully.

Section B

Q.		Total
4.	<p>Identify two types of internal economies of scale and explain how each of these can lead to a change in unit costs.</p> <p>AO1: 2 marks</p> <p>Award 1 mark for each correct internal economy of scale identified.</p> <p>AO3: 2 marks</p> <p>Award 1 mark for each valid explanation of how the economy of scale identified leads to a change in unit costs.</p> <p>Indicative content:</p> <p>Purchasing economies of scale (accept 'bulk buying) – purchasing higher quantities of raw materials from suppliers might lead to being better able to negotiate discounts for buying in bulk, which leads to a fall in average unit costs.</p> <p>Marketing economies of scale – larger businesses might use above the line or be able to produce promotional material on a larger scale that benefit all stores / products, meaning that promotional or advertising expenditure is spread over a greater number of business units or the average cost per exposure falls.</p> <p>Managerial economies of scale – specialist managers may be employed for specific business functions that match their expertise and experience, which could lead to increased efficiency and productivity, resulting in a fall in average unit costs.</p> <p>Financial economies of scale – larger businesses are often more established and have financial records as evidence to secure loans. Banks might see larger business as less risky to lend money to and therefore might be offered more attractive loan terms including a lower interest rate, which results in lower average costs.</p> <p>Risk bearing economies of scale – as businesses grow through opening more outlets or expanding their product range, they are more able to spread the costs of uncertainty over a wider range of activities and therefore reduce unit costs.</p> <p>Technical economies of scale – businesses that invest in more advanced technology or use new methods of production can increase productivity and efficiency and therefore result in lower average unit costs.</p> <p>Credit any other valid analysis.</p>	4

Q.		Total
5. (a)	<p>Define the term job analysis.</p> <p>AO1: 2 marks</p> <p>Award 1 mark for limited definition of job analysis. Award 2 marks for good definition of job analysis.</p> <p>Indicative content:</p> <p>A job analysis is part of the recruitment process that occurs once a vacancy has been identified (1) that involves determining in detail the duties and responsibilities and the skills and knowledge required to carry out the position (1).</p> <p>A job analysis is used to help to write the job description and person specification (1).</p> <p>The process of looking in detail at a job vacancy (1) and identifying the tasks and responsibilities involved in the position (1).</p> <p>NB: There must be some reference to potential employee, candidate or indication that it is part of the recruitment/hiring process.</p>	2
(b)	<p>Describe the term labour productivity.</p> <p>AO1: 2 marks</p> <p>Award 1 mark for limited definition of labour productivity. Award 2 marks for good definition of labour productivity.</p> <p>Indicative content:</p> <p>Labour productivity can be measured by dividing the output by the number of workers(1) over a period of time (1).</p> <p>Labour productivity is a measurement of the output per worker (1).</p> <p>It is a measure of the efficiency of the workforce (1).</p> <p>NB: a reference to time or period is needed for full marks.</p>	2

Q.		Total
(c)	<p>Calculate the labour turnover for 2022.</p> <p>AO1: 1 mark AO2: 1 mark</p> <p>Award 1 mark for correct formula Award 1 mark for correct answer</p> <p>(Number of staff leaving / average number of staff employed) x 100.</p> <p>$(4/32) \times 100$ (1) = 12.5% (2).</p> <p>Award 2 marks for correct answer without workings. Award 1 mark for correct figure without % sign.</p>	2

Q.				Total
(d)	Analyse possible reasons for the change in ASK's labour turnover.			6
Band	AO1	AO2	AO3	
	2 marks	2 marks	2 marks	
2	2 marks Good knowledge of labour turnover. Clear understanding of factors affecting labour turnover is shown.	2 marks Good interpretation of the change to ASK's labour turnover. Information from the data is used well. Context is used effectively.	2 marks Good analysis of the reasons for the change to ASK's labour turnover. Lines of reasoning are clear and well-developed. Analysis is in full context of the data.	
	1 mark Limited knowledge of labour turnover. Superficial understanding of factors affecting labour turnover is shown.	1 mark Limited interpretation of the change to ASK's labour turnover. The response is mainly theoretical with the inclusion of some examples from the data. Context is not used effectively.	1 mark Limited analysis of the reasons for the change to ASK's labour turnover. Undeveloped points are made with little or no reference to the data.	
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid analysis.	

Indicative content:

Knowledge

- Labour turnover is the rate at which employees leave a business.
- Employees may leave a business due to retirement, to work for competitors, dissatisfaction with pay or working conditions.
- Likewise, employees might remain with a business if they are happy with the working conditions, find their job interesting, pay and promotion prospects.
- Some staff turnover can benefit a company because it can mean new ideas and prevent a stagnant workforce.
- High levels of staff turnover can be costly and time consuming.

Interpretation of data

- Labour turnover has fallen over the three-year period by 60.94% or 19.5 percentage points.
- Labour turnover might have fallen due to, for example, an increase in job security, more promotion opportunities and forecast future growth.
- ASK's labour turnover was 6% above the industry average in 2020 and 6% below in 2021. In 2021, it was 13.5% lower than the industry average.

Application / Analysis

- Job security might have increased since ASK took on new clients and are anticipating further growth. Employees looking to remain in call centre jobs might have decided not to leave because of the increased job security.
- Internal recruitment can enhance job prospects. call centre supervisor is to be promoted internally and those looking to progress their career might have more opportunities in the future with ASK.

Credit any other valid point.

Q.		Total
6. (a)	<p>Outline the difference between quality control and quality assurance.</p> <p>AO1: 2 marks</p> <p>Award 1 mark for understanding of either quality control or quality assurance. Award 2 marks for understanding of both quality control or quality assurance.</p> <p>Indicative content:</p> <p>Quality control is based on inspection (by quality inspectors) of (a sample of) finished products. Quality checking occurs at the end of the production process.</p> <p>Quality assurance is a system of agreed quality standards (accept a promise or guarantee) at each stage of production. Quality checks are carried out by employees throughout the production process. Focus is on prevention of poor quality.</p> <p>Credit any other valid point.</p>	2
(b)	<p>Define the term lean production.</p> <p>AO1: 2 marks</p> <p>Award 1 mark for each valid point.</p> <p>Indicative content:</p> <p>Lean production aims to remove / eliminate waste from the production process (1) and as a result increases productivity and reduces costs (1).</p> <p>Lean production seeks to improve efficiency in the production process by minimising the use of resources (1) while maintaining quality (1).</p> <p>Award maximum of 1 mark for examples of resources: space, time, labour, capital, materials (1).</p> <p>Credit any other valid point.</p> <p>Do not credit examples of lean production without development.</p>	2
(c)	<p>Calculate the re-order quantity for week 5.</p> <p>AO2: 1 mark</p> <p>32 500 (cardboard boxes)</p>	1

Q.		Total
(d)	<p>With reference to Pack It Up's stock control diagram, describe the use of its buffer stock over the 8-week period.</p> <p>AO1: 1 mark AO2: 1 mark</p> <p>Award 1 mark for correct understanding of buffer stock. Award 1 mark for correct application to Pack It Up.</p> <p>Indicative content:</p> <p>Buffer stock is the number of units between the minimum stock level and zero.</p> <p>Buffer stock was used in week 2 and week 5 (1). More of the buffer stock was used in week 5 than week 2 (1).</p> <p>In 2 of the 8 weeks buffer stock was used (1). Although buffer stock was used, the stock level did not reach 0 before it was replenished (1).</p> <p>Credit any other valid interpretation.</p>	2

Q.				Total
(e)	Recommend whether Pack It Up should adopt a JIT system.			6
Band	AO2	AO3	AO4	
	2 marks	2 marks	2 marks	
2	<p>2 marks</p> <p>Good use of data.</p> <p>Information from the case is used well to support argument.</p>	<p>2 marks</p> <p>Good analysis of whether a JIT system should be adopted.</p> <p>Lines of reasoning are clear and well-developed.</p> <p>Analysis is in full context of the data.</p>	<p>2 marks</p> <p>Evaluation is good.</p> <p>Lines of evaluation are well-developed.</p> <p>Qualifying statements may be used.</p>	
1	<p>1 mark</p> <p>Limited use of data.</p> <p>The response is mainly theoretical with some reference to the context.</p>	<p>1 mark</p> <p>Limited analysis of whether a JIT system should be adopted.</p> <p>Underdeveloped points are made.</p>	<p>1 mark</p> <p>Evaluation is limited.</p> <p>Judgements are underdeveloped and lacking depth.</p>	
0	<p>0 marks</p> <p>No valid application.</p>	<p>0 marks</p> <p>No valid analysis.</p>	<p>0 marks</p> <p>No valid evaluation.</p>	

Indicative content:

Application

- Packages fresh food which is perishable so if the boxes are not delivered on time then the food may spoil.
- Rent out factory space to make more money so space is used more efficiently if there is a lack of boxes and fresh food in the warehouse.
- Deliveries from suppliers are weekly with 4-day lead time.
- Buffer stock has been used twice in the last two months.
- Stock level has never reached zero.

Analysis

- Pack It Up has a buffer stock of 10 000 cardboard boxes, some of which has been used in the past 8 weeks. A JIT system is based on not holding buffer stock.
- Stock levels, orders and demand levels seems to be variable, at least over this 8-week period and buffer stock has been used in a couple of weeks. The majority of the time there has been no need to use buffer stock and stock level has not reached 0 boxes in this period.
- Stock seemed to be used during the week meaning that the stock that is delivered would need to be stored somewhere until it is needed in production.

Evaluation

- An important part of a successful JIT system is an effective relationship with suppliers and the supplier needs to deliver stock on time. Are Pack It Up able to maintain a good relationship with their supplier and do they have contingencies in place if there are delays?
- It depends on the supplier being able to deliver more frequently so that Pack It Up does not need to keep stock levels. There might be a cost implication of this, in which case the benefit of renting out the extra factory space would need to be weighed up against the extra delivery costs.
- It seems possible that the maximum stock level can reduce by 2 500 boxes since the stock level has not fallen below 2 500 units, but how representative is the 8-week period to stock level usage for the year?
- It can be argued that Pack It Up already has some characteristics of a JIT system in terms of frequent deliveries of suppliers.

Q.		Total
7.	Recommend whether Darren should choose a cost-plus pricing strategy or a competitive pricing strategy for his bottled sauces. Justify your decision.	8

Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	2 marks	2 marks
2	2 marks Good understanding of pricing strategies. Knowledge of both pricing strategies is shown.	2 marks Good use of data. Information from the case is used well to support argument.	2 marks Good analysis of the impact of both pricing strategies. Lines of reasoning are clear and well-developed.	2 marks Evaluation is good. Recommendation is made and is well-justified and developed.
1	1 mark Limited understanding of pricing strategies. Knowledge of one pricing strategy shown.	1 mark Limited use of data. The response is mainly theoretical with some reference to the context.	1 mark Limited analysis of the impact of either/both pricing strategies. Underdeveloped points are made.	1 mark Evaluation is limited. Recommendation is made but lacks depth.
0	0 marks No valid knowledge	0 marks No valid application	0 marks No valid analysis	0 marks No valid evaluation

Indicative content:

Cost-plus pricing

- Price is determined by adding a profit percentage to the average cost of producing the good (this is called the mark-up).
- It is a product-orientated / cost-based strategy; therefore, the market is ignored.
- Darren's products are likely to be next to competitor products in the independent retailers that he sells in. The price may not be competitive.
- Cost of the ingredients could be high because they are organic and therefore lead to a high price once the mark-up is applied. However, this depends on any economies of scale because of ordered in increased quantities from his supplier.
- Ensures all costs are covered, which is important since Darren has recently faced increased costs (part time staff at busier times and equipment upgrades). Cost increases (or indeed, decreases) can be passed on to the customer, which could affect affordability and resulting demand.

Competitive pricing

- Price is determined by the 'going rate' in the market by comparison to competitors' prices. Prices tend to be broadly in line with competitors.
- It is a market-orientated / market-based strategy; therefore, the production costs are not directly considered and the price is set a point at which the market is willing to accept. Could be considered an example of a price taker.

- Darren offers condiments which might be considered to be in a competitive market with big brand names (HP and Hellmann's). Offering similar prices will be important for Darren to compete effectively and to gain sales. But he is unlikely to mass produce at the same scale, if at all, which could mean lower profit margins because of relatively higher costs per unit.
- Does not guarantee all costs are covered and might not highlight any added value, USP or differentiation that Darren wants to reflect i.e. using organic ingredients.

Possible themes for evaluation:

- Choice of pricing strategy depends on Darren's objectives. Case study highlights a changing market, increased costs and meeting consumer wants. Darren must determine how she can meet her objectives by considering these factors.
- It can depend on the percentage that is added to the cost of production: too high and price could be uncompetitive; too low then perception of quality could be affected.
- Both strategies could result in a similar price from the outset, but the principle of the strategy is different.
- Market research is ideal, even with cost-plus pricing, since this is likely to guide the mark-up chosen.
- Depends on PED: market research could highlight sensitivity using each strategy. Depends on how much the price could change by and current strategy used could increase or decrease the price using a new strategy.
- Darren can adopt one strategy and then choose another, if appropriate. But customers might want predictability.

Credit any other valid point.

Q.			Total
8.	Evaluate the view that it is always better to control, rather than empower, a workforce.		12
Band	AO1	AO3	AO4
	4 marks	4 marks	4 marks
3	<p>4 marks</p> <p>Excellent understanding of empowerment and control.</p> <p>Clear identification of key features and characteristics.</p>	<p>4 marks</p> <p>Excellent analysis of empowerment and or control.</p> <p>Well-reasoned and detailed chains of analysis.</p> <p>Analysis is balanced for control and empowerment.</p>	<p>4 marks</p> <p>Evaluation is excellent and judgements are convincing.</p> <p>A well-balanced and well-detailed evaluation.</p> <p>Qualifying statements may be used.</p>
2	<p>2-3 marks</p> <p>Good understanding of empowerment and / or control.</p> <p>Identification of several features or characteristics.</p>	<p>2-3 marks</p> <p>Good analysis of empowerment and / or control.</p> <p>Good chains of reasoning are evident.</p>	<p>2-3 marks</p> <p>Evaluation is good.</p> <p>A well-reasoned and balanced evaluation.</p> <p>Clear judgement is made with supporting statements.</p> <p>Evaluation is likely to be balanced.</p>
1	<p>1 mark</p> <p>Limited understanding of empowerment and / or control.</p> <p>The candidate identifies some characteristics.</p>	<p>1 mark</p> <p>Limited analysis of empowerment and / or control.</p> <p>Analysis is one-sided or incomplete.</p> <p>Underdeveloped points are made.</p>	<p>1 mark</p> <p>Evaluation is limited.</p> <p>A judgement is made but is underdeveloped and lacking depth.</p> <p>Evaluation is one-sided.</p>
0	<p>0 marks</p> <p>No valid knowledge.</p>	<p>0 marks</p> <p>No valid analysis.</p>	<p>0 marks</p> <p>No valid evaluation.</p>

Indicative content:

Empowerment

- Empowerment is a management practice of sharing or giving employees responsibility to make decisions and the power to use their initiative to solve problems. Empowerment is based on the idea that by giving employees the skills, resources, authority, opportunity, motivation and making them accountable for the outcomes of their actions, they will contribute more to the organisation and be more satisfied in their job.
- Employees may become more motivated (Herzberg's Motivators, McGregor's Theory Y and Maslow's Esteem Needs).
- Empowering the workforce could lead to the following benefits: increased productivity and efficiency due to increased motivation and commitment; higher levels of job satisfaction; lower labour turnover; quicker decision making; lower management costs; less resistance to change; improved quality of work through a lean production process; increased collaboration between employees and managers.
- Empowering the workforce could lead to the following problems: abuse of power; mistakes being made by employees; lack of skills, experience or willingness to take on responsibility to be empowered; additional training time and costs; more complex structure and unclear lines of communication; managers may be undermined and conflict could occur.

Control

- Controlling the workforce could lead to the following benefits: being told what to do is the preference for some employees (McGregor's Theory X); certainty is maintained in communication, authority and hierarchy; inexperienced employees may need to be monitored and supported more; confidentiality and traditional management functions such as planning and budgeting are retained; management arguably have the skills and qualities to make decisions; clearer lines of accountability; employee monitoring can lead to increased productivity.
- Controlling the workforce could lead to the following problems: some employees may feel mistrusted and demotivated; lack of development opportunities; increase in labour turnover; increased pressure and stress of being monitored.

Possible themes for evaluation:

- It may not always be appropriate or beneficial to control the workforce.
- The decision is dependent upon many circumstances and contexts i.e. experience of the workforce, culture, nature of the job, style of management, preference of the employee.
- Empowerment and control choices are likely more to be a matter of degree rather than a dichotomy at the extremities.
- All workers need to operate within certain parameters and it would not be possible to give them total freedom of action in many circumstances. There are inevitably rules regarding such things as attendance, quality control, treatment of customers, etc., within these limits the empowered employee will be allowed to use his/her initiative. Even so, there is likely to be inconsistency when workers are empowered, especially without clear regulation and, indeed, controls in place.
- Candidates are likely to include qualifying factors to provide context to support their views.