

GCSE

Applied Business

Unit **A241**: Business in Action

General Certificate of Secondary Education

Mark Scheme for June 2015

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

OCR will not enter into any discussion or correspondence in connection with this mark scheme.

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These are the annotations, (including abbreviations), including those used in scoris, which are used when marking

	Unclear
BOD	Benefit of doubt
CONT	Context
L1	Level 1
L2	Level 2
L3	Level 3
NAQ	Not answered question
REP	Repeat
SEEN	Noted but no credit given
TV	Too vague
	Tick
	Development of point
OFR	Own figure rule
	Cross
BP	Blank page

Here are the subject specific instructions for this question paper:

Subject-specific Marking Instructions

Application marks (AO2)

Application marks are available for **application of knowledge**. The application marks would be gained by explaining how a business may react, the implications of their theoretical suggestion or reasons why it is a good/bad idea. Context is not needed.

Application marks are also awarded if the candidate **applies their knowledge in the context** of the case study business or their chosen business. It will be clear in the question which business they should refer to. On occasion, candidates may be asked to apply their answer to a business 'such as' (usually then naming the case study business) this allows candidates to apply their knowledge in the context of a similar business. The business could be similar in terms of the ownership, size of the business, sector in which it operates or the service it provides/ products it produces. The mark scheme will clearly show whether the application marks are for application in context or application of knowledge.

10 mark questions

Level 1 marks are awarded for showing knowledge.

Level 2 marks are awarded for application and are now split into 3-4 marks and 5-6 marks.

3-4 marks - Application marks are available for **application of knowledge**. The application marks would be gained by explaining how a business may react, the implications of their theoretical suggestion or reasons why it is a good/bad idea. Context is not needed.

5-6 marks are awarded if the candidate **applies their knowledge in the context** of the case study business or their chosen business.

Specific guidance will be given within the mark scheme as to what is needed to access 5 marks.

It must be clear that the candidate is applying their answer to the case study business or a business they have studied to move above L2 4 marks. An applied answer can go straight to L2 as it is not expected that the candidate includes theory in their answer. Start by checking the candidate's answer for context. Once you have found context in the answer then it can gain at least 5 marks. Context only has to be hit once to reach this level (level 2 descriptor also has to be met to reach level 2).

Level 3 marks are awarded for analysis and evaluation. The candidate has to have previously correctly applied their knowledge in the context of the case study or own study in order to achieve level 3.

7 – 8 marks are awarded for analysis based on previous application in context.

9 - 10 marks are awarded for evaluation based on previous analysis.

Quality of Written Communication (QWC)

10 mark questions have QWC embedded in the levels. Below are the full descriptors for requirements to meet the level with regard to QWC.

Level 3 - Candidate shows ability to present relevant material in a well planned and logical sequence. Material is clearly structured using appropriate industry terminology confidently and accurately. Sentences, consistently relevant, are well structured in a way which directly answers the question. There will be few, if any, errors of grammar, punctuation and spelling.

Level 2 - Candidate shows ability to present relevant material in a planned and logical sequence. Appropriate industry terminology is used. Sentences, for the most part, are presented in a balanced, logical and coherent manner which addresses the question. There will be occasional errors of grammar, punctuation and spelling.

Level 1 - Candidate shows ability to communicate at least one point using some appropriate industry terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of the question. Errors of grammar, punctuation and spelling may be noticeable and intrusive.

Here is the mark scheme for this question paper.

Question			Answer/Indicative content	Mark	Guidance
1	a		Indicative response: <ul style="list-style-type: none"> • selling/sell • retail/retailer • tertiary • service (sector) 	1	For one mark. Do not award 'shop' or 'supermarket' as these are not types of activity.
1	b		Possible responses may include: <ul style="list-style-type: none"> • to make money/profit • to be successful • to be their own bosses • a new challenge • to pursue an interest/hobby • found a gap in the market • need employment • provide a service/alternative to big supermarkets 	1	For one mark. NB This question is about reasons for starting a business. Award any sensible reason to start a business. Do not accept 'to break even'.
1	c	i	Possible responses may include: <ul style="list-style-type: none"> • to expand/grow • to open more shops next year • to sell more than its nearest competitor • to exceed customer expectations • to make a profit/money 	1	For one mark. Accept aims/goals/targets. Must be suitable for a business which has been trading for 20 years. Do not award 'break-even' or 'get established'. Award any reasonable suggestion.
1	c	ii	Possible responses may include: <ul style="list-style-type: none"> • It is important to set objectives as these are stepping stones (1) in achieving an organisation's goals (1). 	2	One mark for a correct identification, plus a further one mark for an explanation. Accept 'something to aim for', 'to be more successful or achieve greater success'.

Question			Answer/Indicative content	Mark	Guidance
			<ul style="list-style-type: none"> It allows each department to set realistic targets (1) as it helps to improve the business (1). 		
1	d		<p>Possible responses may include:</p> <ul style="list-style-type: none"> The business has limited liability (1) so that they will not lose their personal possessions if the business went into liquidation (1+). It may be easier to raise finance (1) as David and Teresa can invite friends and family to become shareholders (1+). To ensure that the business can continue (1) if one of the owners dies (1+). 	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Annotation required: ✓. ✓+</p> <p>Accept 'separate legal identity', 'company name protected', does not have to publish accounts'.</p> <p>Accept any comparison of being an Ltd with other types of ownership e.g. in comparison with a partnership or a public limited company</p> <p>Answers must refer to advantages of being an Ltd as a type of ownership.</p>
1	e	i	<p>Possible responses may include:</p> <ul style="list-style-type: none"> interest rates inflation/deflation exchange rates recession boom unemployment income level (state of) the economy 	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Must be an economic factor.</p> <p>Do not accept taxation, social factors (e.g. changing habits/demand, consumer spending), technological factors or competition.</p> <p>Do not accept same factor twice e.g. high employment and low employment – 1 mark.</p>
1	e	ii	<p>Possible responses may include:</p> <ul style="list-style-type: none"> If interest rates go up people will have less money to spend on luxuries (1) so First Fresh Ltd might see a decrease in sales of luxury food (1). 	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Must be the same economic factors if stated in 1(e)(i). If</p>

Question		Answer/Indicative content	Mark	Guidance
		<ul style="list-style-type: none"> If inflation goes up then goods will go up in average price (1) so customers may buy fewer goods (1). 		<p>not stated in 1(e)(i) accept the factor stated in the explanation.</p> <p>Accept economic factors only.</p> <p>Do not accept taxation, social factors (e.g. changing habits/demand, consumer spending), technological factors or competition.</p>
2	a	<p>Possible responses may include:</p> <ul style="list-style-type: none"> Spreadsheets (1) can be used to monitor stock levels (1) so that each store has the correct amount of goods in stock (1). Email (1) can be used for communication both internally within the supermarket and to head office (1) to ensure urgent messages can be acted upon as soon as possible (1) Internet (1) as this can be used for research (1) to see what local competitors are doing (1). 	6	<p>One mark for each ICT type up to a maximum of two identifications, plus further mark for each of two stated purposes and a further one mark for each of two explanations.</p> <p>Allow supermarket specific ICT types e.g. computer, e-commerce, bar code reader, tills, CCTV, clocking in system, etc</p> <p>Accept brand names as BOD.</p> <p>Accept answers relating to Head Office.</p> <p>Type of ICT must be identified before further marks can be given. Do not award uses if no ICT type given.</p> <p>Ensure purpose described matches type of ICT identify e.g. computer (type) is used to record stock (no match).</p>
2	b	<p>Possible responses may include:</p> <ul style="list-style-type: none"> Keeping a record of the money coming in to and out of the business (1). This could be done using a computer programme so it is more accurate (1). Producing a budget (1) so that each 	2	<p>One mark for a correct identification, plus a further one mark for an explanation.</p> <p>Must be appropriate for Head Office and must relate to finance.</p> <p>Task required to award the identification mark. The</p>

Question			Answer/Indicative content	Mark	Guidance
			department has a plan to work towards (1).		explanation mark can relate to why or how.
2	c		<p>Possible responses may include:</p> <ul style="list-style-type: none"> Any new employees at the Head Office of First Fresh Ltd will need training (1). The person in charge of human resources will do on-the-job training so the new employee knows how to work for First Fresh Ltd (1). When there is a vacancy at Head Office, human resources advertises (1). When people apply they may be selected for interview (1). 	2	<p>One mark for a correct identification, plus a further one mark for an explanation.</p> <p>Must be appropriate for Head Office and must relate to human resources.</p> <p>Task required to award the identification mark. The explanation mark can relate to why or how.</p>
2	d	i	<p>Possible responses may include:</p> <ul style="list-style-type: none"> punctuality hard work work to best ability help achieve goal customer service/care for customer dress suitably adherence to procedures fulfilment of job role follow instructions complying with (health and safety) procedures be polite reliability act responsibly 	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Award any characteristic generally required by an employee.</p> <p>Do not award 'flexibility' as this is job role dependent; not 'motivated', 'enthusiastic' as these are desirable for many job roles but not expectations.</p>
2	d	ii	<p>Possible responses may include:</p> <ul style="list-style-type: none"> suitable working conditions contract of employment equal opportunities 	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Award any reasonable expectation.</p>

Question			Answer/Indicative content	Mark	Guidance
			<ul style="list-style-type: none"> • safe/good working conditions • payment of wages/salary (on time) • holiday entitlement • provide help/support • provide training • to be rewarded/praised • no discrimination • treated fairly • treated with respect 		

Question			Answer/Indicative Content	Marks	Guidance	
					Indicative content	Levels of response
2	e	*	<p>First Fresh Ltd</p> <p>A good working relationship can be established between employee and employer through a series of weekly meetings (L1) where staff feel valued to be able to talk through any issues or problems (with management) they face on a day-to-day basis (L2). This will lead to better attendance (L3).</p> <p>The Store Manager could also provide training on how to work safely when handling food (CONT) in the warehouse (L1). In this way the employees are likely to feel comfortable coming in to work (L2). This will lead to lower labour turnover (L3).</p> <p>I think that the meetings will have the greatest impact on developing a good working relationship at First Fresh Ltd</p>	10	<p>Context for this question is retail/supermarket.</p> <p>Possible methods of creating a good working relationship. e.g.</p> <ul style="list-style-type: none"> • meetings • job rotation • training • reward schemes • monetary reward • fair treatment • equal treatment • improve (physical) working environment • adequate breaks • leadership style • appraisal • appropriate communication • rapport with staff • meet employee needs • how the methods used create 	<p>It must be clear that the candidate is relating their response to a retail/supermarket store manager in order to move above 4 marks (L2). Please annotate specific context with CONT.</p> <p>Level 3 – Must include context 10 marks –candidate makes a justified decision following previous analysis of chosen and alternative way(s).</p> <p>9 marks – candidate makes a justified decision following previous analysis of chosen way.</p> <p>8 marks – candidate analyses two or more ways.</p> <p>7 marks – candidate analyses one way.</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Indicative content	Levels of response
			as everyone feels that they can voice their concerns and have their problems taken seriously (✓+). Whereas training would only directly benefit those who have been selected for it (✓+).		<ul style="list-style-type: none"> a good working relationship which method is likely to have the greatest impact? 	<p>Level 2 6 marks – candidate shows understanding of two or more ways (with specific context). 5 marks – candidate shows understanding of one way (with specific context) 4 marks – candidate shows understanding of two or more ways (no specific context) 3 marks – candidate shows understanding of one way (no specific context)</p> <p>Level 1 2 marks – Candidate identifies two or more ways of creating a good working relationship. 1 mark – candidate identifies one way of creating a good working relationship.</p> <p>0 marks = response does not address the question</p>

Question		Answer/Indicative content	Mark	Guidance
3	a	<p>Possible responses may include:</p> <ul style="list-style-type: none"> • legal • social • political • technological • competition • changing customer demands • new competitor entering the market 	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Do not accept examples of economic factors, e.g. interest rates, inflation, exchange rates, etc as these are excluded by the question.</p> <p>These factors are external and outside of the business' control.</p> <p>Do not accept suppliers – these are an internal business choice.</p> <p>Do not accept 'fewer customers' as this is not a reason – the reason for the loss of customers needs to be stated.</p>
3	b	<p>Possible responses may include:</p> <ul style="list-style-type: none"> • Local community (1) – as they live near the supermarket they will not want too much noise and litter in the area (1) as this might make the area unattractive (1). • Employees (1) – they will want a good wage and good working conditions from First Fresh Ltd (1) because without that they might go and get a job somewhere else (1). • Customers (1) – they will want good deals from First Fresh Ltd (1) as they could shop in another store if they do not get this from First Fresh Ltd (1). • The owners/shareholders (1) – want First Fresh Ltd to make a profit (1) so that they get more money back in dividends (1). 	9	<p>One mark for each correct identification up to a maximum of three identifications of appropriate stakeholder groups, plus a further one mark for each of three identifications of the interest of these stakeholder groups, and a further one mark for an explanation of the interest of each of these stakeholder groups.</p> <p>Award any relevant stakeholder group. Stakeholder group must be identified for marks to be awarded.</p> <p>Do not accept 'partners' and 'sole traders'.</p> <p>One mark for stakeholder group, one mark for their interest, one mark for 'why'.</p> <p>Accept 'banks'.</p>

Question			Answer/Indicative content	Mark	Guidance
			<ul style="list-style-type: none"> Competitors (1) – want to find out what First Fresh Ltd is offering (1) so that they can work out a plan to out beat them (1). 		
3	c		<p>Possible responses may include:</p> <p>Name of business: Supersave Activity of business: retail</p> <ul style="list-style-type: none"> Could open 24/7 (1). This will increase the sales of the shops (1) Change to a partnership (1) to gain more capital (1). Improve current website (1) by allowing customers to provide feedback (1). 	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of the descriptions.</p> <p>Do not accept offering a delivery service.</p> <p>Identification mark for 'what'. Development mark can relate to how, why or benefit.</p> <p>Name of business and activity of business for examiner guidance only. Full marks can be awarded even if business name/activity not given.</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
3	d	*	<p>If Cadbury does not make changes to its business practices, it might lose customers to its competitors (L1). This will result in a decrease in market share (L2). In order to compete, it will have to advertise more and this will cost money (L3).</p> <p>Another consequence of not making changes to its production process (CONT) is an increase in wastage (L1). This will result in a decrease in efficiency (L2) and therefore output will fall (L3).</p> <p>The most important consequence is high wastage level because Cadbury operates in a very competitive market it needs to keep costs down in order to survive (✓+).</p>	10	<p>Context for this question is the candidates' chosen business.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • loss of customers • loss of market share • new competitors in market • loss or reduced profit • being left behind • employees unhappy • customers unhappy • business failure <p>Responses must be negative.</p> <p>Award consequences only, do not award solutions or causes.</p>	<p>It must be clear that the candidate is relating their response to a specific chosen business in order to move above 4 marks (L2). Please annotate specific context with CONT.</p> <p>Level 3 – Must include context 10 marks – candidate makes a justified decision following previous analysis of chosen and alternative consequences.</p> <p>9 marks – candidate makes a justified decision following previous analysis of chosen consequence.</p> <p>8 marks – candidate analyses two or more consequences (to named business).</p> <p>7 marks – candidate analyses one consequence appropriate (to named business).</p> <p>Level 2</p> <p>6 marks – candidate shows understanding of two or more consequences (to named business).</p> <p>5 marks – candidate shows understanding of one consequence (to named business)</p> <p>4 marks – candidate shows</p>

Question			Answer/Indicative Content	Marks	Guidance	
					Content	Levels of response
						<p>understanding of two or more consequences (no specific context) 3 marks – candidate shows understanding of one consequence (no specific context)</p> <p>Level 1 2 marks – Candidate identifies two or more consequences of not making changes to business practices. 1 mark – candidate identifies one consequence of not making changes to business practices.</p> <p>0 marks = response does not address the question.</p>

Question		Answer/Indicative content	Mark	Guidance
4	a	<p>Possible responses may include:</p> <ul style="list-style-type: none"> • Ethics are an unwritten code (1) of principles and values (1). • Ethics involve morals (1) and doing what is right (1). • Ethics involves treating people fairly (1) and doing more than the law requires (1). 	2	<p>Up to two marks.</p> <p>Do not reward specific examples as these are required for question 4b.</p> <p>Do not award answers relating to being environmentally friendly or sustainability.</p>
4	b	<p>Possible responses may include:</p> <ul style="list-style-type: none"> • If must not exploit its staff (1) by asking them so work in unfair conditions (1). • Sell local produce (1) which supports the local economy (1). • It can ensure it sells food which is produced to high farming standards (1) e.g. free range eggs, 'Red Tractor' meat, etc (1). • Pay employees a fair/living wage (1), which is over the minimum wage (1). • Fixed hour contract (1) rather than zero hour which does not allow employees to earn a decent wage (1). • Support charitable organisations (1) by giving them a share of profit (1). • Employ people of a suitable age (1), not child labour (1). • Not exploiting customers (1) by selling products which are not priced excessively (1). 	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two descriptions.</p> <p>Do not allow Fair Trade as this is excluded by the question.</p> <p>Do not award environmental/sustainability examples e.g. 'recycling' or 'tree planting'. environmentally friendly or sustainability.</p> <p>Do not award legal requirements e.g. do not award 'treat employees equally', 'pay the minimum wage'.</p> <p>Accept 'fit for purpose' for identification but ensure any development is ethical not legal.</p> <p>Do not award advantages to the First Fresh Ltd.</p>

Question			Exemplar response	Marks	Guidance	
					Indicative Content	Levels of response
4	c	*	<p>First Fresh Ltd Businesses which do not behave in an ethical manner will lead to demotivated employees (CONT). This may lead to poor customer service at the supermarket (L2). This could lead to more complaints (L3).</p> <p>Loss of customers (CONT) could cause revenue to decrease (L2) resulting in a significant reduction in profit (L3).</p> <p>Poor reputation (CONT) leads to negative publicity (L2) which may lead to boycott from customers (L3).</p> <p>If competitors promote their ethical practices (CONT), customers might switch to the competition (L2) leading to business failure (L3)</p> <p>The biggest consequence is loss of customers as without customers, a business cannot survive (✓+).</p>	10	<p>Context for this question is the 4 bullets i.e.:</p> <ul style="list-style-type: none"> • loss of customers • poor reputation • de-motivated employees • competitors who promote their own ethical practices may be more successful. <p>Responses must be in the negative.</p> <p>Award consequences only, do not award solutions or causes.</p>	<p>It must be clear that the candidate is relating their response to the specific bullet points given in the question in order to move above 4 marks (L2). Please annotate reference to bullet points with CONT.</p> <p>An applied answer (an answer that refers to the bullet points) can go straight to L2 as it is not expected that the candidate answers out of context or includes theory in their answer.</p> <p>Level 3 – Must include context 10 marks – candidate makes a justified decision following previous analysis of chosen and all alternative consequences.</p> <p>9 marks – candidate makes a justified decision following previous analysis of chosen consequence.</p> <p>8 marks – candidate analyses the impact of two or more listed consequences.</p> <p>7 marks – candidate analyses the impact of one listed consequence.</p>

Question			Exemplar response	Marks	Guidance	
					Indicative Content	Levels of response
						<p>Level 2</p> <p>6 marks – candidate shows understanding of the impact of two or more listed consequences (with specific context)</p> <p>5 marks – candidate shows understanding of the impact of one listed consequence (with specific context)</p> <p>4 marks – candidate shows understanding of the impact of two or more unlisted consequences (no specific context)</p> <p>3 marks – candidate explains the impact of one unlisted consequence (no specific context)</p> <p>Level 1</p> <p>2 marks – Candidate identifies two or more unlisted consequence of not operating in an ethical manner.</p> <p>1 mark – candidate identifies one unlisted consequence of not operating in an ethical manner.</p> <p>0 marks = response does not address the question</p>

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