

GCSE

Applied Business

Unit A241: Business in Action

General Certificate of Secondary Education

Mark Scheme for June 2016

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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 RM Assessor, which are used when marking

Annotation	Meaning
?	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

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 in order to achieve level 3.

7 – 9 marks are awarded for analysis based on previous application in context.

10 marks are awarded for evaluation based on previous analysis.

Quality of Written Communication (QWC)

Questions 2b, 2d and 3b 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.

Qı	uestio	Answer/Indicative content	Mark Guidance	
1	а	 Possible responses include: secondary sector/production/manufacturing/ making/milling tertiary sector/retail/sales/selling 	1	For one mark. Do not award primary sector or farming. Do not award partnership.
1	c	 Possible responses include: to make money/profit/income to fulfil a dream/aspiration/hobby e.g. fell in love with the mill to leave a legacy for family/family venture to have a slower lifestyle to be their own bosses/decision making/control meet needs of a target market/gap in a market e.g. to sell flour at local market to find employment/job/work/income Possible responses include: suggest new ideas to promote the Mill 	2	One mark for each correct identification to a maximum of two identifications. Do not award 'to create a successful business'. One mark for each correct identification to a maximum of two identifications.
		 suggest innovative ideas the Mill could do working on new projects at the Mill be flexible in terms of her role at the Mill support her parents 		 Must be things an employee can do. Must be contextualised to award e.g. the Mill, parents, Sue and Marc, farmers' market, flour, wheat, business partnership, fact-finding trip. Do not award Georgia as context.
1	d	 Indicative content: being innovative e.g. new facilities change working practices e.g. form of ownership, change opening hours increase/change product range 	4	One mark for each correct identification to a maximum of two identifications, plus a further one mark for each of two explanations. Award:

Question	Answer/Indicative content	Mark	Guidance
	 encourage suggestions from employees, listen to employees take risks support charities 		First mark: what/way/method Second mark: why/reason/benefit Do not award discrimination, retain employees.
	Exemplar responses:		Explanation must be different, do not award repeat.
	Quality Cottages Tertiary sector Quality Cottages extended the hours that they have employees answering the telephones (1) as most people want to book a holiday in the evening after they have come home from work (1). Nantwood Mill Flour Mill Nantwood Mill opened a tea shop (1) to encourage customers to stay longer (1).		Accept generic context.
1 e	Indicative content:	4	In each case award:
	 more profit/money higher profit margin better cash flow more customers higher quality product more output increase market share increase competitive edge more revenue improve reputation/public image ability to expand limited liability increase productivity/efficiency 		 Two marks for a contextual explanation (please annotate CONT). One mark for a non-contextual explanation. Context e.g. flour, wheat, parents, business partnership, farmers' market, fact-finding trip, England. Do not award <i>Jarrah Mill</i>, Marc and Sue as context. Must be a benefit to <i>Jarrah Mill</i> (not employees or customers).
	increase productivity/efficiency		Look out for repetition.

Question	Answer/Indicative content	Mark	Guidance
	 improve motivation extra projects reduce expenditure Possible responses include: If Georgia feels that her ideas are important she will be motivated and will help her parents (CONT) to produce high quality flour (2). If the ideas are innovative there could be increased sales (1). 		
1 f	Indicative content: sets business aims and objectives/goals gives business aspiration gives a common goal/focus states what a business wants to achieve states what a business is about/does sets out a vision/direction shows a business' values creates business recognition motivates employees to communicate with/inspire external stakeholders e.g. suppliers, customers. Possible responses include: It tells customers what <i>Jarrah Mill</i> is trying to achieve, which might give them an incentive to purchase flour (CONT) from <i>Jarrah Mill</i> (2). It sets out a vision for <i>Jarrah Mill</i> so that any employees know what the ultimate goal of the business is (1).	6	 In each case award: Two marks for a contextual explanation (please annotate CONT). One mark for a non-contextual explanation. Context e.g. flour, wheat, parents, business partnership, partners, farmers, fact-finding trip, England. Do not award 'helps a business to be more organised'. Do not award Georgia as context. Do not award 'farm' as context. Do not award 'professional image'.

Question	Answer/Indicative content	Mark	Guidance
2 a	Possible responses include: • reduce energy consumption • reduce wastage • use green energy • tree planting scheme • minimise paper use • re-use • recycle • use sustainable suppliers • reduce carbon footprint Exemplar responses: Invest in solar panels/ maintain wind turbine/water turbine (1) this will help to reduce the use of fossil fuel (1). Let their famers from whom they purchase know that they are committed to sustainability (1) this means they will only deal with businesses that believe the same as them (1).	4	One mark for each identification to a maximum of two identifications, plus one further mark for each of two explanations. Award: First mark for 'what'. Second mark for why (must be about sustainability). 'Be environmentally friendly' is too vague for method but can be awarded for explanation. The question asks for a 'way'. Identification mark: what/way/method. Do not award 'organic'. Accept generic context.

Question		tion	Answer/Indicative Content	Marks	Guidance				
					Content	Levels of response			
2	b	*	 Possible responses include: liability – limited/unlimited partners are jointly and severally liable separate legal identity sources of finance continuity register with Companies House lodge accounts A partnership is owned by between 2 and 20 partners (L1). Currently <i>Jarrah Mill</i> has two (CONT) partners. If Marc and Sue became a private limited company they would have limited liability (L2) this would mean that they could only lose the money they invested in <i>Jarrah Mill</i> (L3). However, being a private limited company requires Marc and Sue to lodge the accounts of the business with Companies House (L2). This will take up a lot of their time, which given only the family (CONT) works at the business, may be difficult to find (L3). Overall, I think they should become a private limited company and also invite other shareholders, this would raise finance but also give all owners the security of limited liability (√+). 	10	 Quality of written communication is embedded into the level descriptors. NB Context required for 5 or more marks. Context for this question is e.g. flour, wheat, parents, farmers' market, fact-finding trip, England, café, non-family members, two partners, tertiary/secondary sector, business adviser, family business. Do not award Jarrah Mill, Marc and Sue, expansion as context. Do not award opposite arguments e.g. if unlimited liability has been awarded for partnership then do not also award limited liability for private limited company. Do not award arguments about control, decision making, workload, disputes, skills, working hours or responsibility since these are the same for a partnership and a private limited company. 	Level 3 – Answer must be contextual. 10 marks – makes a decision with valid justification. NB The decision made must match with previous analysis (required) in order to award 10 marks. 9 marks – three or more analytical points made. 8 marks – two analytical points made. 7 marks – one analytical point made. Level 2 6 marks – two or more points of explanation (answer contextual). 5 marks – one point of explanation (answer contextual). 4 marks – two or more points of explanation (answer non- contextual). 3 marks – one point of explanation (answer non- contextual). 3 marks – one point of explanation (answer non- contextual). 1 marks – knowledge of what a partnership and a private limited company is. 1 mark – knowledge of what a partnership or private limited company is.			

Question	Answer/Indicative Content Marks	Guidance			
			Content	Levels of response	
			Level 3 (7-10 marks) Candidate makes reasoned judgements and presents appropriate conclusions about which is the best option for Marc and Sue.		
			Level 2 (5-6 marks) Candidate outlines the advantage(s)/disadvantage(s) of being a partnership and/or private limited companies (with context).		
			Level 2 (3-4 marks) Candidate outlines the advantage(s)/disadvantage(s) of being a partnership and/or private limited company (with no context).		
			Level 1 (1-2 marks) Candidate identifies feature(s) of different form(s) of ownership.		

Question	Answer/Indicative content	Mark	Guidance
2 c i	Indicative content:	2	Up to two marks.
	 budget make sure business does not overspend work out profit/loss work out break even raise finance pay employees/prepare payroll produce final accounts prepare cash flow cost control pay suppliers purchase materials record sales in charge of money Possible responses include: The role of the finance functional area is to know what money is coming in and going out of the business (1) so that it can advise all other functional areas about how much money they have to spend (1). The role of finance functional areas is to complete the profit and loss account (1). They do this by keeping a record of everything that has been bought and all the money coming in (1).		Award: First mark for 'what'. Second mark for 'how' (i.e. a description). NB describe only. Do not award why or reason. Accept generic context.

Ques	stior	Answer/Indicative content	Mark	Guidance
C	; i	Indicative content:	2	Up to two marks.
		 output quality of output 		Award:
		 quantity of output production		First mark for 'what'.
		produce product on timequality control/assurance		Second mark for 'how'.
		efficiency/productivitylogistics e.g. delivery		NB describe only.
		purchase stockstock control		Do not award why or reason.
		organise eventsproject management		The operations department performs the core activity of the business.
		Possible responses include:		Do not award reception/admin functions.
		The role of the operations functional area is to make products (1) by using batch production (1).		Accept generic context.
		The role of the operations functional area is to keep waste to a minimum (1) they do this by checking the quality of products as they are made (1).		

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Question	Answer/Indicative Content	Marks	Guidance		
			Content	Levels of response	
	If human resources do not operate efficiently then sales assistants may not be properly trained (L2). This could lead to them being rude to customers and customer choosing to shop elsewhere, reducing sale revenue (L3). The greatest consequence to Debenhams of its functional areas not operating efficiently is losing customers. This is because it operates in a very			 (answer contextual). 4 marks – outlines one or more consequence(s) of named functional areas not operating efficiently (answer non-contextual). 3 marks – outlines one consequence of named functional areas not operating efficiently (answer non-contextual). 	
	competitive market and once lost it would be difficult to reclaim customers. Whereas more employees can be found reasonably easily ($\sqrt{+}$).			 Level 1 2 marks – identifies more than one consequence of functional areas not operating efficiently. 1 mark – identifies one consequence of functional areas not operating efficiently. NB Name and/or activity of the business must be stated to award context marks. 	

Question	Answer/Indicative content	Mark	Guidance
3 a	Possible responses may include: • taxation • unemployment/employment • inflation • interest rates • exchange rates • disposable income • state of the economy/recession/boom • National minimum wage • social trends/tastes • demand/change in target market • transport/infrastructure • competition • climate/weather e.g. flooding • technology • legislation • stock market trading conditions Exemplar responses: Taxation (1), money paid to the government (1). Unemployment (1), the number of people who do not have a job (1).	6	 One mark for each correct identification to a maximum of three identifications, plus one further mark for each of three descriptions. Award: First mark for factor. Second mark for description (definition/meaning of factor or example). Do not award political, social, economic, the economy, technological, legal; factors must be specific. No context required. NO MARKS to be awarded for analysis e.g. impacts, consequences to a business as these are tested in Q3b. Do not award 'income level'. Do not award 'pollution' unless clearly not caused by the business concerned.

3 b			• • • • •	lance	
3 b			Content	Levels of response	
	 Indicative content: customers have less/more money to spend. customers change from basics/to luxury goods (or vice versa) increase Government awareness of healthy eating so wanting to source natural ingredients more custom more profit A change in interest rates affects the costs of borrowing (L1). An increase in interest rates makes the cost of borrowing dearer (L2). If Jarrah Mill is planning to borrow money for the expansion then an increase in interest rates will increase its fixed costs and reduce the amount of profit the business can make (L3). A change in customer trends will affect the number of customers a business gets (L1). A switch of consumer preference from white bread (CONT) to brown may mean they can increase the price of their whole grain flour (L2) leading to higher revenue (L3). Overall consumer trends are likely to have a greater impact than interest rates 	10	Quality of written communication is embedded into the level descriptors.NB Context required for 5 or more marks.Context for this question is e.g. flour, wheat, parents, farmers' market, fact-finding trip, England, café, non-family members, two partners, tertiary/secondary sector, business adviser, family business.Do not award Jarrah Mill, Marc and Sue, expansion as context.Level 3 (7-10 marks) Candidate makes reasoned judgements and presents appropriate conclusions about the consequences of changes in the external environment to Jarrah Mill.Level 2 (5-6 marks) Candidate outlines a consequence(s) of specific change in the external environment (with context).Level 2 (3-4 marks)	Level 3 – Answer must be contextual. 10 marks – makes a decision as to which consequence has the greatest impact on <i>Jarrah Mill</i> with valid justification. NB The decision made must match with previous analysis (required) in order to award 10 marks. 9 marks – three or more consequences of different specific consequences analysed. 8 marks – two consequences of different specific factors analysed. 7 marks – one consequence of specific change analysed. 7 marks – one consequence of specific change analysed. Level 2 6 marks – outlines two or more consequences of specific change on different factors (answer contextual). 5 marks – outlines one consequence of specific change (answer contextual). 4 marks – outlines two or more consequences of specific change on different factors (answer non- contextual). 3 marks – outlines one consequences of specific change on different factors (answer non- contextual). 3 marks – outlines one consequences of specific change (answer non-contextual).	

Question	Answer/Indicative Content	Marks	Guidance			
			Content	Levels of response		
	customer trends have long term impacts, whereas the increase in interest rates would only affect them if it decided to expand ($\sqrt{+}$).		Candidate outlines a consequence(s) of a specific change in the external environment (no context). Level 1 (1-2 marks) Candidate identifies a consequence(s) of an external factor.	 Level 1 2 marks – identifies more than one consequence of an external factor. 1 mark – identifies one consequence of an external factor. 		
			0 marks = no response or response does not address the question.	'Specific change' for this question means – a directional change (e.g. economic factor goes up or down/weak or strong; weather good or bad; new/advancing technology; new laws; new competitors; inflation; recession; boom).		

Question		ion	Answer/Indicative content	Mark	Guidance	
4	а		Possible responses may include:	9	One mark per box.	
			 employees/Georgia e.g. wages, working conditions, government e.g. taxes bank/financiers e.g. loans local community e.g. congestion, parking, employment, pollution, welfare customers e.g. product, price, quality, opening hours, customer service suppliers environmentalists/pressure groups e.g. fair trade, green practices, efficiency, waste trade unions e.g. fair pay, working conditions general public/tourists/holidaymakers competitors/other local businesses potential investors 		Award: First mark for stakeholder group given in the first column. Second mark for stakeholder interest e.g. wages in the second column. Third mark must be WHY, e.g. to feed the family given in the third column. Annotate with √+. NB Second mark cannot be awarded without the first mark. NB Third mark cannot be awarded without the second mark.	
			Exemplar responses:		Award 'products' for customers but not suppliers.	
			Local community (1) – litter (1) so the environment in which they live is not spoilt (1) .		Do not award owners/investors/shareholders/managers.	
			Customers (1) – prices (1) so they can afford more goods (1).		Do not award community.	
			Suppliers (1) – getting paid (1) so they can make a profit (1).		Answer must be in correct box to award.	
			Employees (1) – want to know who is going to work in ICT (1) because they think the job is more interesting (1).			

Question	Answer/Indicative content	Mark	Guidance	
4 b	 Possible responses may include: employees/Georgia e.g. wages, working conditions, government e.g. taxes bank/financiers e.g. loans local community e.g. congestion, parking, employment, pollution, welfare customers e.g. product, price, quality, opening hours, customer service suppliers environmentalists/pressure groups e.g. fair trade, green practices, efficiency, waste trade unions e.g. fair pay, working conditions general public/tourists/holidaymakers potential investors Possible responses may include: Georgia might want a pay rise despite working for her parents (CONT) and Marc and Sue may not think the business can afford to give her one (2). Marc and Sue might not pay their suppliers promptly. The suppliers may not deliver any new stock until Marc and Sue have paid previous bills so they may run out of stock to sell (1).	2	Award: Two marks for a contextual description (please annotate CONT). One mark for a non-contextual description. Context e.g. flour, wheat, parents, business partnership, farmers' market, fact-finding trip, England, bread, cakes, tea shop, ingredients. Do not award Jarrah Mill, Marc and Sue, expansion as context.	

Question	Answer/Indicative content		Guidance
4 c	Possible responses may include: personal computers (PC)/desktops laptops tablets networks spreadsheets word-processing databases presentation software desktop publishing e-commerce email social media hardware e.g. printer, scanner software mobile phones 	2	One mark for each correct identification to a maximum of two identifications. Must be communication technology. Do not award website/Internet, walkie talkies, CCTV cameras, till systems, card readers, EPOS, barcode scanners. Award brand names.

Qı	Question		Answer/Indicative content		Guidance	
Q (d	ion	Indicative content: • online bookings • advertise/promote business • competitive advantage • keep up-to-date with technology • online sales • more sales	Mark 4	Guidance In each case, award: Two marks for a contextual description (please annotate CONT). One mark for a non-contextual description. Context e.g. flour, wheat, parents, business partnership, farmers' market, fact-finding trip, England,	
			 more profit raise awareness improve reputation get reviews wider customer base Possible responses may include:		 bread, cakes, tea shop, ingredients, guided tours, tourists. Do not award <i>Jarrah Mill</i>, Marc and Sue, Georgia, shop at, visit, new business, all over the country as context. 	
			A website could show customers what the tea shop (CONT) will look like so that they are keen to come before it opens (2). Able to make sales 24/7 (1).		NB question asks for ways <i>Jarrah Mill</i> benefits – therefore method/uses (e.g. online bookings) or benefits (e.g. more profit) can be awarded. Benefits/uses to customers can be awarded. Look out for repetition.	
			Customers will be able to buy online (1). Customers able to shop in their own homes (1).			

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