



Oxford Cambridge and RSA

## **GCSE (9–1)**

### **Business**

**J204/01:** Business 1: business activity, marketing and people

General Certificate of Secondary Education

## **Mark Scheme for November 2020**

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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.

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## Annotations

Annotation	Meaning
<b>K</b>	Knowledge (AO1a)
<b>U</b>	Understanding (AO1b)
<b>APP</b>	Analysis (AO3a)
<b>AN</b>	Application (AO2)
<b>EVAL</b>	Evaluation (AO3b)
<b>BOD</b>	Benefit of doubt
<b>BP</b>	Blank page
<b>×</b>	Cross – incorrect, not awarded
<b>✓</b>	Tick – correct, awarded
<b>NAQ</b>	Not answered question
<b>NUT</b>	No use of (con)text

<b>OFR</b>	Own figure rule
<b>SEEN</b>	Noted but no credit given
<b>TV</b>	Too vague

Question	Answer	Marks	Assessment Objective
<b>SECTION A</b>			
1	C	1	1a
2	B	1	2
3	C	1	1b
4	D	1	2 (Q)
5	C	1	2
6	C	1	2
7	C	1	2 (Q)
8	B	1	2
9	D	1	1b
10	B	1	2
11	B	1	2 (Q)
12	C	1	1a
13	B	1	2
14	B	1	1b
15	D	1	2 (PS)

Question		Answer	Marks	Guidance
<b>SECTION B</b>				
16	a	<p><b>Explain one way planning business activity may help Superdry to succeed.</b></p> <p><b>Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• Helps reduce risk</li> <li>• Helps with resourcing (e.g. physical/IT/staffing)</li> <li>• Helps with finance</li> <li>• Helps with decision-making</li> <li>• Helps business know <u>how</u> to do/achieve something.</li> </ul> <p><b>Exemplar responses:</b></p> <p>Planning can help ensure Superdry has all the necessary resources <b>(1)</b> for its 135 stores <b>(APP)</b>.</p> <p>Superdry updates its stores on a regular basis <b>(APP)</b>, planning can help identify how much money this will cost <b>(1)</b>.</p> <p>Planning can help reduce risk <b>(1)</b>, making the business more financially secure <b>(NUT)</b>.</p>	<p><b>2</b></p> <p>AO1b (U) 1 AO2 (APP) 1</p>	<p>1 mark for showing understanding of how planning leads to success. </p> <p><i>No application mark can be gained without understanding.</i></p> <p>1 further mark for an answer which is applied to Superdry. <span style="border: 1px solid red; padding: 2px;"><b>APP</b></span></p> <p><b>Application may include the use of:</b> Successful international brand, 135 stores, 4800 employees, UK and Europe, committed to <u>high</u> quality, policies about discrimination or employee retention, £41.4m spent in 2017, refitting 11 stores, marketing the clothing, etc.</p> <p>Do <b>not</b> award 'helps achieve objectives' as that is what the question is asking (success = meeting objectives).</p> <p>Do <b>not</b> award answers relating to research as this is not the same as planning e.g. do <b>not</b> award finding things out, getting information, doing market research, etc.</p> <p>Do <b>not</b> award vague answers such as 'organised' or 'focused' or 'better chance of survival'.</p> <p>NB final bullet must be 'how' to do (or steps, etc) not 'what' to do.</p>
			<b>ARA</b>	

<p>16</p>	<p>b</p>	<p><b>Explain the concept of limited liability.</b></p> <p><b>Knowledge/Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• Owners'/shareholders' responsibility for the debts of the business is limited to the amount that they originally invested in the business</li> <li>• Business responsible for paying its own debts</li> <li>• Owners cannot lose any more money/personal possessions</li> <li>• Derived from the business being a separate legal entity from its owners</li> <li>• Applies to the owners of incorporated businesses e.g. shareholders of limited companies (and limited liability partnerships).</li> </ul> <p><b>Exemplar response:</b></p> <p>Limited liability is a legal protection for the owners/shareholders of a company <b>(1)</b>. It means they cannot lose more money than they originally invested in the company <b>(1)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>2</b> AO1a <b>(K)</b> 1 AO1b <b>(U)</b> 1</p>	<p>1 mark for knowledge of limited liability. ✓</p> <p>1 further mark for understanding of limited liability. ✓</p> <p>No context required.</p>
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<p>16</p>	<p>c</p>	<p><b>Explain one advantage for Superdry of having a policy against discrimination in its workforce</b></p> <p><b>Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• Benefit from a range of diverse experiences/skills within the workforce</li> <li>• Improved business reputation</li> <li>• Fewer complaints</li> <li>• Greater productivity/output</li> <li>• Reduced labour turnover/aid employee retention/fewer employees leave</li> <li>• Ability to recruit new employees more easily</li> <li>• Comply with employment legislation.</li> </ul> <p><b>Exemplar responses:</b></p> <p>Superdry is likely to find it easier to recruit new employees <b>(1)</b> allowing it to fully staff its 135 stores <b>(APP)</b>.</p> <p>Having a policy against discrimination in its workforce ensures that Superdry does not breach employment laws <b>(1)</b> which would be damaging when competing against other clothing retailers <b>(APP)</b>.</p> <p>May improve the range of skills in the workforce <b>(1)</b>, increasing sales and profit <b>(NUT)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>2</b> AO1b <b>(U) 1</b> AO2 <b>(APP) 1</b></p>	<p>1 mark for showing understanding of an <u>advantage to a business</u> of having a policy against discrimination in the workforce. </p> <p><i>No application mark can be gained without understanding.</i></p> <p>1 further mark for an answer which is applied to Superdry. <span style="border: 1px solid red; padding: 2px;"><b>APP</b></span></p> <p><b>Application may include the use of:</b> Successful international brand, 135 stores, 4800 employees, committed to high quality, competition from retailers of all sizes, clothing brand, etc.</p> <p><u>Advantage to the business required to award marks (rather than a statement about what (the) discrimination is).</u></p> <p>Do <b>not</b> award ‘employees feel safe’ or ‘employees feel happier’ as these are not advantages to the business.</p> <p>Do <b>not</b> award vague answers such as ‘more people will be interested’ or ‘attract more people’.</p> <p>‘Work better’ too vague, please annotate <span style="border: 1px solid red; padding: 2px;"><b>TV</b></span> but accept ‘work harder’.</p> <p>No marks for stating what discrimination is.</p>
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<p>16</p>	<p>d</p>	<p><b>Explain one reason why employee retention is important for Superdry.</b></p> <p><b>Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• Lower recruitment/training costs</li> <li>• Less time taken to recruit and train</li> <li>• Maintain an experienced workforce</li> <li>• Positive impact on business reputation.</li> </ul> <p><b>Exemplar responses:</b></p> <p>Superdry’s training costs will be low <b>(1)</b> which means it can spend this money on promotion to help in such a competitive market <b>(APP)</b>.</p> <p>It may help them to cope with the store re-fits <b>(APP)</b> because workers will be experienced as they have worked longer for the company <b>(1)</b>.</p> <p>Superdry’s recruitment costs will be low <b>(1)</b> which means it can spend this money on an advertising campaign <b>(NUT)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>2</b> AO1b <b>(U)</b> 1 AO2 <b>(APP)</b> 1</p>	<p>1 mark for showing understanding of a reason why employee retention is important to a business. </p> <p><i>No application mark can be gained without understanding.</i></p> <p>1 further mark for an answer which is applied to Superdry. <span style="border: 1px solid red; padding: 2px;"><b>APP</b></span></p> <p><b>Application may include the use of:</b> 4800 employees, commitment to high quality, more able to cope with store re-fits, competition from retailers, clothing brand, etc.</p> <p>Reason <b>must</b> be why important <u>for the business</u>.</p> <p>Accept answers that explain in the inverse i.e. the issues caused by poor employee retention.</p> <p>Do <b>not</b> award answers relating to job satisfaction or motivation, unless explicitly linked to the importance for the business.</p> <p>No marks for stating what employee retention is.</p>
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<p>16</p>	<p>e</p>	<p><b>Analyse one way Superdry’s business objectives may change as the business grows.</b></p> <p><b>Knowledge may include:</b></p> <ul style="list-style-type: none"> <li>• Objectives become greater/bigger/higher</li> <li>• Objectives widen/broaden</li> <li>• Objectives become more diverse</li> <li>• Objectives become more ambitious.</li> </ul> <p><b>Analysis may include:</b></p> <ul style="list-style-type: none"> <li>• More advertising</li> <li>• Do more research</li> <li>• Change pricing strategy</li> <li>• Contact a solicitor</li> <li>• Change the quality control process.</li> </ul> <p><b>Exemplar responses:</b></p> <p>As Superdry grows its objectives also become more ambitious <b>(1)</b>. It may want to have far more than 135 shops in the UK and Europe <b>(APP)</b> so will need to do a lot of research to find new locations <b>(1)</b>.</p> <p>As a business grows it is likely to want to make more profit <b>(1)</b>. For Superdry which operates in a competitive market <b>(APP)</b>, this may mean changing its pricing strategy to gain more customers <b>(1)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>3</b> AO1a <b>(K)</b> 1 AO2 <b>(APP)</b> 1 AO3a <b>(AN)</b> 1</p>	<p>1 mark for knowledge of how objectives change as business grows. </p> <p><i>No further marks can be gained without knowledge.</i></p> <p>1 further mark for an answer applied to Superdry. </p> <p>1 further mark for analysis of how the change of objectives impacts on business operations. </p> <p><b>Application may include the use of:</b> Use of different distribution channels (especially e-commerce), commitment to high quality, regular re-fit programme, products sold by other retailers such as Next, attracting new customer groups, competition from retailers of all sizes, etc.</p> <p><b>Must</b> be clear that the response is talking about how objectives are affected rather than how the business in general is affected.</p> <p>Accept answers relating to objectives in general e.g. objectives will get more ambitious or specific e.g. profit target will be higher. Do <b>not</b> accept growth as it is stated in the question. Do <b>not</b> award examples of business growth e.g. open more shops, etc.</p> <p>Impact of changing the objective on business operations required for analysis i.e. an action it needs to take, (not the outcome of achieving the objective).</p> <p>NB The question asks how, not why.</p>
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16	f	i	<p><b>Identify two elements of the marketing mix.</b></p> <p><b>Indicative content:</b></p> <ul style="list-style-type: none"> <li>• Product</li> <li>• Price</li> <li>• Promotion</li> <li>• Place.</li> </ul>	<p><b>2</b> AO1a (K) 2</p>	<p>1 mark for knowledge of an element of the marketing mix, to a maximum of two marks. </p>
16	f	ii	<p><b>Evaluate whether or not Superdry should continue to invest in its store re-fit programme.</b></p> <p><b>Analysis (must be a consequence from a relevant point made about the re-fit programme) may include:</b></p> <ul style="list-style-type: none"> <li>• Attract/lose customers</li> <li>• Improve/worsen image</li> <li>• Improve/worsen reputation</li> <li>• Increase/decrease revenue</li> <li>• Improve/worsen cashflow</li> <li>• Increase/decrease cost</li> <li>• Increase/decrease profit.</li> </ul> <p><b>Evaluation may include:</b></p> <ul style="list-style-type: none"> <li>• Candidate can justify continuing to invest or not continuing to invest in the store re-fit programme.</li> </ul> <p><b>Exemplar response:</b></p> <p>The store re-fit programme is expensive, it cost £41.7m in 2017 <b>(APP)</b>, this has increased business costs <b>(AN)</b>. However, the re-fit programme keeps its 135 stores exciting <b>(APP)</b> to attract loyal customers to return, and so will help Superdry to increase its market share <b>(AN)</b>.</p>	<p><b>7</b> AO2 <b>(APP)</b> 2 AO3a <b>(AN)</b> 2 AO3b <b>(EVAL)</b> 3</p>	<p><b>Use marking grid to assess skills levels.</b></p> <p>Annotate as:</p> <p>Up to 2 marks for application to Superdry </p> <p>Up to 2 marks for analysis </p> <p>Up to 3 marks for evaluation </p> <p><b>Application may include the <u>use of:</u></b> 135 stores across UK and Europe, committed to high quality, uses different channels of distribution, wants to keep retail stores exciting, £41.4m spent in 2017, 11 stores re-fitted, competition from retailers of all sizes, etc.</p> <p>NB The context <b>must</b> be <u>used to answer the question for it to be awarded as application</u> e.g. a contextual advantage/disadvantage or contextual analysis.</p> <p>Analysis <b>must</b> be a business-facing impact as a result of a relevant point made.</p> <p>For strong evaluation i.e. the full three marks, the justification <b>must</b> be contextually robust.</p> <p>Do <b>not</b> award 'store' as context, as it is stated in the question.</p>

		I think Superdry should continue to invest in re-fitting the stores <b>(EVAL)</b> due to the amount of money already invested and the fact that many customers prefer a physical store for clothing <b>(EVAL) (EVAL)</b> . <b>ARA</b>	
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Evaluate whether or not Superdry should continue to invest in its store re-fit programme.

	<b>Application</b> (2 marks)	<b>Analysis</b> (2 marks)	<b>Evaluation</b> (3 marks)
<b>Strong</b>	<b>2 marks</b>  Two relevant <u>uses</u> of context i.e. that assist in answering the question.  <b>[APP]</b> <b>[APP]</b>	<b>2 marks</b>  Two analytical points (one positive/ one negative) about investing in the store re-fit programme.  <b>[AN]</b> <b>[AN]</b>	<b>3 marks</b>  A <b>justified contextual</b> judgement as to whether or not Superdry should continue to invest in its store re-fit programme.  <b>[EVAL]</b> <b>[EVAL]</b> <b>[EVAL]</b>
<b>Good</b>			<b>2 marks</b>  A <b>justified</b> judgement as to whether or not the business should continue to invest in the store re-fit programme.  <b>[EVAL]</b> <b>[EVAL]</b>
<b>Limited</b>	<b>1 mark</b>  One relevant <u>use</u> of context i.e. that assists in answering the question.  <b>[APP]</b>	<b>1 mark</b>  One analytical point about investing in the store re-fit programme.  <b>[AN]</b>	<b>1 mark</b>  A decision as to whether or not the business should continue to invest in the store re-fit programme.  <b>[EVAL]</b>

<p>17</p>	<p>a</p>	<p><b>Explain how the owners of EDF may be affected by the construction of Hinkley Point C nuclear power station.</b></p> <p><b>Knowledge may include:</b></p> <ul style="list-style-type: none"> <li>• Profit level</li> <li>• Size of dividends</li> <li>• Change in share price</li> <li>• Return on investment.</li> </ul> <p><b>Exemplar response:</b></p> <p>The owners' dividends may be affected <b>(1)</b> as it will be 2025 before they see any return on their investment <b>(APP)</b>.</p> <p>Shareholders <b>(APP)</b> may experience a fall in investment returns <b>(1)</b> in the short-term.</p> <p>Owners may experience a fall in investment returns <b>(1) (NUT)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>2</b> AO1a <b>(K)</b> 1 AO2 <b>(APP)</b> 1</p>	<p>1 mark for knowledge of how <u>owners</u> may be affected. </p> <p><i>No application mark can be gained without knowledge.</i></p> <p>1 further mark for an answer applied to EDF. <span style="border: 1px solid red; padding: 2px;"><b>APP</b></span></p> <p><b>Application may include the <u>use</u> of:</b> Owners are shareholders (EDF is a limited company), until 2025, 60 years, supply 7%, etc.</p> <p>Do <b>not</b> award 'nuclear power station' or 'construction' as application as they are stated in the question.</p> <p><b>Must</b> be impact on owners, not solely the business in general. Do <b>not</b> accept answers referring to costs, revenues, grants, jobs, etc.</p>
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<p>17</p>	<p>b</p>	<p><b>Explain how the construction of Hinkley Point C nuclear power station may affect the local community.</b></p> <p><b>Knowledge may include:</b></p> <ul style="list-style-type: none"> <li>• More job opportunities</li> <li>• Increased traffic congestion</li> <li>• Increased pollution</li> <li>• Compulsory purchase orders on homes</li> <li>• Lower property prices</li> <li>• Greater noise/disruption levels</li> <li>• Negative aesthetic impact e.g. eyesore.</li> </ul> <p><b>Exemplar response:</b></p> <p>The construction work is likely to increase traffic congestion <b>(1)</b> because they will need lots of bulldozers <b>(APP)</b>.</p> <p>Hinkley Point C will provide thousands <b>(APP)</b> of new employment opportunities for local residents <b>(1)</b>.</p> <p>Hinkley Point C will provide new employment opportunities for local residents <b>(1) (NUT)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>2</b> AO1a <b>(K)</b> 1 AO2 <b>(APP)</b> 1</p>	<p>1 mark for knowledge of how the local community may be affected. </p> <p><i>No application mark can be gained without knowledge.</i> <span style="border: 1px solid red; padding: 2px;"><b>APP</b></span></p> <p>1 further mark for an answer applied to EDF.</p> <p><b>Application to EDF/local community may include:</b> Construction will last until 2025, thousands of jobs created, many of the construction jobs are self-employed, 900 jobs will be created once operational, digging up fields, heavy lorries driving by, construction vehicles, works and materials, located in Somerset, etc.</p> <p>Do <b>not</b> award ‘nuclear power station’ as application as this is stated in the question.</p> <p>Accept impact of local community as potential employees, but <b>not</b> as potential customers.</p>
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17	c	<p><b>Explain how the construction of Hinkley Point C nuclear power station may help EDF to achieve one business objective.</b></p> <p><b>Knowledge may include:</b></p> <ul style="list-style-type: none"> <li>• Survival</li> <li>• Minimise loss</li> <li>• Breakeven</li> <li>• Make a profit/increase profit</li> <li>• Increase/maintain revenue</li> <li>• Increase/maintain output</li> <li>• Increase/maintain market share</li> <li>• Growth/expansion</li> <li>• Cost reduction</li> <li>• Price optimisation.</li> </ul> <p><b>Exemplar response:</b></p> <p>This may lead to more profit for EDF <b>(1)</b> as Hinkley Point C will provide an extra 7% of the UK's electricity <b>(APP)</b>.</p> <p>The new power station should ensure that from 2025 <b>(APP)</b> EDF experiences an increase in revenue <b>(1)</b>.</p> <p>This will lead to EDF increasing its output <b>(1) (NUT)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>2</b> AO1a <b>(K) 1</b> AO2 <b>(APP) 1</b></p>	<p>1 mark for knowledge of a business objective. </p> <p><i>No application marks can be gained without knowledge.</i></p> <p>1 further mark for an answer applied to EDF. <span style="border: 1px solid red; padding: 2px;"><b>APP</b></span></p> <p><b>Application may include the use of:</b> Largest producer of low-carbon electricity, 7%, 60 years, due to open in 2025, employ over 900 people after completion, etc.</p> <p>Do <b>not</b> award 'nuclear power station' or 'construction' as application as they are stated in the question.</p> <p>Do <b>not</b> award vague objectives e.g. do <b>not</b> award 'be more competitive'.</p>
17	d	<p><b>State two pricing methods that a business could use.</b></p> <p><b>Answers may include:</b></p> <ul style="list-style-type: none"> <li>• Cost-plus/adding a percentage to cost</li> <li>• Skimming/creaming</li> <li>• Penetration</li> <li>• Competitor/competitive</li> <li>• Promotional/discounting</li> <li>• Price matching.</li> </ul> <p style="text-align: right;"><b>ARA</b></p>	<p><b>2</b> AO1a <b>(K) 2</b></p>	<p>1 mark for the identification of a pricing method, up to a maximum of 2 marks. </p> <p>Do <b>not</b> accept reference to contracts.</p>

<p>17</p>	<p>e</p>	<p>i</p>	<p><b>Analyse one benefit to EDF of using each of the following primary market research methods.</b></p> <p><b><u>Focus groups</u></b></p> <p><b>Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• Can provide qualitative information</li> <li>• Obtain in-depth answers/lots of information</li> <li>• Additional detail obtained from respondents building on other's answers</li> <li>• Can target a specific group of respondents</li> <li>• Feedback is immediate</li> <li>• Flexible process, questions can be adapted by group leader</li> <li>• Can ask deeper, more probing questions.</li> </ul> <p><b>Analysis may include:</b></p> <ul style="list-style-type: none"> <li>• More accurate decision making</li> <li>• Less risk</li> <li>• More profit/revenue/sales, etc.</li> </ul> <p><b>Exemplar response:</b></p> <p>EDF can carefully select a focus group from a group of customers that reflect its target market characteristics <b>(1)</b>, for example customers who want green energy <b>(APP)</b>. This should provide accurate information on what potential customers want, which the company can use to make better decisions <b>(1)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>3</b> AO1b (U) 1 AO2 (APP) 1 AO3a (AN) 1</p>	<p>1 mark for showing understanding of a <u>beneficial feature for a business</u> of using focus groups as a primary MR method. </p> <p><i>No further marks can be gained without understanding.</i></p> <p>1 further mark for an answer applied to EDF. <span style="border: 1px solid red; padding: 2px;"><b>APP</b></span></p> <p>1 further mark for analysis of how business benefits from feature identified. </p> <p><b>Application may include the use of:</b> competitive market, price is important to customers, 20% market share, a service rather than a good, etc.</p> <p><u>A beneficial feature of focus group is required to award marks</u> (rather than a statement about what a focus group is e.g. do not award 'can see in person', 'can hear their opinions', 'can ask questions', etc).</p> <p>NB Benefits of using focus groups as a method of primary research required, rather than benefits of primary research in general i.e. do <b>not</b> award 'can obtain first-hand information'.</p> <p>Do <b>not</b> award arguments relating to honesty.</p> <p>Analysis <b>must</b> be business-facing.</p>
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17	e	ii	<p><b><u>Questionnaires</u></b></p> <p><b>Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• Can be anonymous</li> <li>• Completed independently, less group sway</li> <li>• Can target a specific group of respondents</li> <li>• Can gather qualitative and/or quantitative data</li> <li>• Responses can be directly compared/straightforward to analyse</li> <li>• Easy to reach a large sample</li> <li>• Relatively low-cost market research method</li> <li>• Time efficient market research method.</li> </ul> <p><b>Analysis may include:</b></p> <ul style="list-style-type: none"> <li>• More accurate decision making</li> <li>• Less risk</li> <li>• More profit/revenue/sales, etc.</li> </ul> <p><b>Exemplar response:</b></p> <p>A questionnaire includes standard questions which are easy to compare <b>(1)</b>. AS EDF has 20% of the market <b>(APP)</b> it will need to ask lots of people so that the results represent those of its entire customer base, leading to more accurate decision-making by the company <b>(1)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>3</b></p> <p>AO1b (U) 1 AO2 (APP) 1 AO3a (AN) 1</p>	<p>1 mark for showing understanding of a <u>beneficial feature for a business</u> of using questionnaires as a primary MR method. </p> <p><i>No further marks can be gained without understanding.</i></p> <p>1 further mark for an answer applied to EDF. <span style="border: 1px solid red; padding: 2px;"><b>APP</b></span></p> <p>1 further mark for analysis of how business benefits from feature identified. </p> <p><b>Application may include the use of:</b> competitive market, price is important to customers, 20% market share, a service rather than a good, etc.</p> <p>A beneficial feature for the business is required to award marks (rather than a statement about what a questionnaire is).</p> <p>NB Benefits of using questionnaires as a method of primary research required, rather than benefits of primary research in general i.e. do <b>not</b> award 'can obtain first-hand information'.</p> <p>Do <b>not</b> award arguments relating to honesty.</p> <p>Analysis <b>must</b> be business-facing.</p>
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17	e	iii	<p><b>Recommend whether focus groups or questionnaires is the best primary market research method for EDF to use. Give reasons for your answer.</b></p> <p>The justification requires a comparison of the two methods. Further analysis of either method(s) should not be rewarded (but can form part of a candidate's justification). Look for comparators like cheaper, more detailed, less biased, less time consuming, etc, or a feature only one method can do (with explicit statement by the candidate that the other method cannot do it).</p> <p><b>Exemplar responses:</b></p> <p>Questionnaires are the best way <b>(1)</b> to carry out market research. The company can carry out the market research on a <u>larger</u> sample of customers than focus groups, so the results will be more representative. This will be very expensive, but EDF has 20% of the UK market so should be able to afford it <b>(+2)</b>.</p> <p>Focus groups should be used <b>(1)</b>. As they will lead to <u>more</u> in-depth analysis of customer views <b>(+1)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>3</b> AO3b (EVAL) 3</p>	<p>1 mark for recommendation, plus up to two marks for a justification.</p> <p>Annotate as:</p> <p>Decision <span style="float: right;">✓</span></p> <p>Plus:</p> <p>1 mark for a non-contextual justification <span style="float: right;">✓</span>  <u>or</u> 2 marks for a contextual justification <span style="float: right;">✓✓</span></p> <p>NB The justification <b>must</b> be <u>comparative</u> i.e. why one is better or worse than the other (rather than just stating positive or negative features).</p> <p>Do <b>not</b> award arguments relating to honesty.</p> <p>NB Context rather than application required. Accept reference to 'power station', etc.</p>
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<p>17</p>	<p>f</p>	<p><b>Analyse one benefit for EDF of using self-employed workers during the construction of Hinkley Point C nuclear power station.</b></p> <p><b>Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• Flexibility/can use as and when required</li> <li>• Improved workforce planning</li> <li>• No costs of pension, sick pay, holiday pay, etc</li> <li>• Does not need to provide training</li> <li>• Only need to pay for the work that they do/no salary to pay</li> <li>• No further contractual commitment</li> <li>• Tend to be highly motivated/work hard to complete tasks quickly to a high standard</li> <li>• Self-employed construction workers tend to supply their own tools/resources</li> <li>• Can include a penalty payment if the work is not completed by an agreed date.</li> </ul> <p><b>Analysis may include:</b></p> <ul style="list-style-type: none"> <li>• Lowers costs</li> <li>• Reduces risks of tasks not being completed on time</li> <li>• Provides a pool of labour to potentially recruit from in the future.</li> </ul> <p><b>Exemplar response:</b></p> <p>EDF can benefit from specialist skills only as and when required <b>(1)</b>. The construction of the nuclear power station will require certain specialist construction skills at certain times through to 2025 <b>(APP)</b>. This will mean that EDF’s cost will be lower because it is not committed to long-term ongoing costs <b>(1)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>3</b> AO1b (U) 1 AO2 (APP) 1 AO3a (AN) 1</p>	<p>1 mark for showing understanding of a <u>beneficial feature for a business</u> of using self-employed workers. </p> <p><i>No further marks can be gained without understanding.</i></p> <p>1 further mark for an answer applied to EDF. <span style="border: 1px solid red; padding: 2px;"><b>APP</b></span></p> <p>1 further mark for analysis of how business benefits from feature identified. </p> <p><b>Application may include the use of:</b> Created thousands of jobs, power station will employ mainly permanent staff once opened, etc.</p> <p>Do <b>not</b> award ‘nuclear power station’ or ‘construction’ as application as they are stated in the question.</p> <p><u>A beneficial feature for a business is required to award marks</u> (rather than a statement about what self-employment is).</p> <p><b>Must</b> be clearly about self-employment as distinct from employing someone full-time, part-time, temporary, permanent, short-term contract, etc.</p> <p>Do <b>not</b> accept ‘potentially cheaper’ unless the reason is given.</p> <p>Do <b>not</b> award subjective arguments e.g. that self-employed workers are more skilled/more creative/more independent/dislike control.</p> <p>Analysis <b>must</b> be business-facing.</p>
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<p>18</p>	<p>a</p>	<p><b>Analyse two benefits for BFF of using off-the-job training for its store managers.</b></p> <p><b>Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• The training is likely to be delivered by a professional/expert trainer</li> <li>• Store managers fully focussed as are removed from the operational challenges</li> <li>• Specialist resources may be available at a dedicated training venue</li> <li>• Safe learning environment to practise/any mistakes made are not in the workplace</li> <li>• Can do training exercises e.g. simulations, group work, role-play awkward customers, etc.</li> </ul> <p><b>Analysis may include:</b></p> <ul style="list-style-type: none"> <li>• Cost effective</li> <li>• Increased productivity</li> <li>• Increased sales revenue</li> <li>• Fewer customer complaints</li> <li>• Better reputation.</li> </ul> <p><b>Exemplar response:</b></p> <p>The store managers will be removed from the operational challenges of their stores allowing them to focus on the training <b>(U)</b>. This enables the managers to maximise their learning from the training, so are more likely to enhance the customer service given to customers <b>(AN)</b> and therefore address the problems identified by the market research <b>(APP)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>6</b> AO1b <b>(U)</b> 2 AO2 <b>(APP)</b> 2 AO3a <b>(AN)</b> 2</p>	<p>In each case: 1 mark for showing understanding of a <u>beneficial feature for a business</u> of off-the-job training. <span style="float: right;"><b>U</b></span></p> <p><i>No further marks can be gained without understanding.</i></p> <p>1 further mark for an answer applied to BFF. <span style="float: right;"><b>APP</b></span></p> <p>1 further mark for analysis of how business benefits from feature identified. <span style="float: right;"><b>AN</b></span></p> <p><b>Application may include the use of:</b> Business is growing, reputation for quality, aim to stop recent decline in net profit/revenue (any reference to quantitative data), never sold children’s shoes before, research suggests that customer service is poor, etc.</p> <p>NB Beneficial features of using off-the-job training as a training method required, rather than benefits of training in general e.g. do <b>not</b> award arguments relating to motivation, etc (which apply to all training methods).</p> <p>Do <b>not</b> award ‘more skilled workforce’, unless specific reason given.</p> <p>Benefit <b>must</b> be about the method.</p> <p>No marks for saying what off-the job training is.</p> <p>Analysis <b>must</b> be business-facing.</p>
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18	b		<p><b>State one way that BFF could segment its dance shoe market.</b></p> <p><b>Ways to segment include:</b></p> <ul style="list-style-type: none"> <li>• Age</li> <li>• Type of dance shoe e.g. ballet/tap</li> <li>• Gender</li> <li>• Income</li> <li>• Location</li> <li>• Lifestyle.</li> </ul> <p style="text-align: right;"><b>ARA</b></p>	<p><b>1</b> AO1a (K) 1</p>	<p>1 mark for knowledge of a criterion for segmenting a market. </p> <p>No context required.</p> <p>Do <b>not</b> award location of advertising as this is not the question e.g. do <b>not</b> award ‘advertise on TV to children’, or ‘advertise near a dance class’ or ‘online’. Location refers to the customer characteristic itself i.e. by customer location.</p>
18	c	i	<p><b>Analyse one benefit for BFF of using each of the following methods to advertise the new range of children’s dance shoes.</b></p> <p><b><u>Social media</u></b></p> <p><b>Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• A growing number of people use social media</li> <li>• Global reach</li> <li>• Quick to update</li> <li>• Low cost method of advertising</li> <li>• Can target specific types of individuals.</li> </ul> <p><b>Analysis may include:</b></p> <ul style="list-style-type: none"> <li>• Keeps costs low</li> <li>• Increased profit</li> <li>• Increased revenue</li> <li>• Can create increased custom in local area</li> <li>• Can increase custom very quickly.</li> </ul> <p><b>Exemplar response:</b></p> <p>It is a low-cost method (<b>U</b>) to reach a high proportion of individuals with children with tailored messages about the new footwear range (<b>APP</b>). This should help maximise the company’s profits (<b>AN</b>).</p>	<p><b>6</b> AO1b (U) 2 AO2 (APP) 2 AO3a (AN) 2</p>	<p>In each case:</p> <p>1 mark for understanding of a <u>beneficial feature for a business</u> of the advertising method. </p> <p><i>No further marks can be gained without understanding.</i></p> <p>1 further mark for an answer applied to BFF. </p> <p>1 further mark for analysis of how business benefits from feature identified. </p> <p><b>Application may include the <u>use of</u>:</b> Aimed at a children’s market, only based in the north-west of England, never sold children’s dance shoes before, research suggests that customer service is poor, etc.</p> <p>Do <b>not</b> award ‘children’s dance shoes’ as application as it is stated in the question.</p>

		<p><b>Television</b></p> <p><b>Understanding may include:</b></p> <ul style="list-style-type: none"> <li>• Reach a large audience/across the world</li> <li>• Local/regional/national/international reach</li> <li>• Visual – high impact</li> <li>• Can potentially reach a high proportion of the population</li> <li>• Can target specific groups e.g. depending upon the time that the advert is aired</li> <li>• Captive audience if watching TV/cannot opt out/cannot be skipped</li> <li>• No legal minimum age limit to access (social media usually 13+).</li> </ul> <p><b>Analysis may include:</b></p> <ul style="list-style-type: none"> <li>• Increased profit</li> <li>• Increased revenue</li> <li>• Can build a local/regional/national presence</li> <li>• More efficient use of funds.</li> </ul> <p><b>Exemplar response:</b></p> <p>Television adverts can reach millions of people with high impact messages <b>(U)</b>. This will enable BFF to inform a lot of individuals about its new footwear range by airing the advert at a time when a high proportion of children are watching <b>(APP)</b>. This may generate significant interest and revenue <b>(AN)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p>Features <b>must</b> be beneficial from the business' perspective. Benefits to customers, employees or other stakeholders are not awardable.</p> <p><u>Beneficial feature of the method required to award marks (rather than a benefit of advertising).</u></p> <p>Do <b>not</b> credit arguments about who uses specific methods, or a method being more or less popular with certain age groups.</p> <p>NB Accept beneficial features that apply to both methods, this question does not require comparison.</p> <p>Analysis <b>must</b> be business-facing.</p>
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18	c	ii	<p><b>Recommend which method of advertising will be the most appropriate for BFF when launching the new range of shoes. Give reasons for your answer.</b></p> <p>The justification requires a comparison of the two methods. Further analysis of either method(s) should not be rewarded (but can form part of a candidate's justification). Look for comparators like cheaper, reach a wider audience, more accurately targeted, etc or a feature only one method can do (with explicit statement from the candidate that the other method cannot do it).</p> <p><b>Exemplar responses:</b></p> <p>Social media is the most appropriate advertising option <b>(1)</b>. It can accurately target specific groups such as children who go to dance, whereas <u>this would not be possible</u> on TV <b>(+2)</b>.</p> <p>Television advertising is best <b>(1)</b> as it can be potentially viewed by a much <u>larger</u> audience <b>(+1)</b>.</p> <p style="text-align: right;"><b>ARA</b></p>	<p><b>3</b> AO3b (EVAL) 3</p>	<p>1 mark for recommendation, plus up to two marks for a justification.</p> <p>Annotate as:</p> <p>Decision <span style="float: right;">✓</span></p> <p>Plus:</p> <p>1 mark for a non-contextual justification <span style="float: right;">✓</span>  <b>or</b> 2 marks for a contextual justification <span style="float: right;">✓✓</span></p> <p>NB The justification <b>must</b> be <u>comparative</u> i.e. why one is better or worse than the other (rather than just stating positive or negative features).</p> <p>Do <b>not</b> credit arguments about who uses specific methods, or a method being more or less popular with certain age groups.</p> <p>NB Context rather than application required. Do not award 'new range of shoes' as this is stated in the question. However, accept 'dance shows', 'dance classes', 'children', 'footwear', etc.</p>
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<p>18</p>	<p>d</p>	<p><b>Evaluate, with reference to the data in Text 3, whether internal recruitment is the best method to use to fill the position of Marketing Manager (Children’s Shoes).</b></p> <p><b>Knowledge:</b></p> <ul style="list-style-type: none"> <li>• Meaning of internal recruitment i.e. job vacancies are filled by recruiting someone from the current workforce only.</li> </ul> <p><b>Understanding i.e. positive/negative feature of internal recruitment may include:</b></p> <ul style="list-style-type: none"> <li>• Often cheaper than external recruitment</li> <li>• The employee can often start their new role sooner</li> <li>• The employee would already know the business/how it operates</li> <li>• Could increase motivation of current staff (due to increased promotion opportunities)</li> <li>• Could cause conflict in current workforce (from those who were not selected)</li> <li>• No new ideas will be brought into the business</li> <li>• The choice of who to appoint is restricted</li> <li>• Current staff may lack the required (marketing) skills</li> <li>• Current staff do not have experience of the new (children’s) market.</li> </ul> <p><b>Application (quantitative) may include:</b></p> <ul style="list-style-type: none"> <li>• <u>Any</u> relevant calculation regarding sales revenues and net profits shown in Fig.1 e.g. Profit fell by £260,000, Revenue fallen by £75,000, 2019 cost £345,000, etc</li> <li>• <u>Any</u> relevant calculation regarding quantitative data in Table 1 e.g. recruitment £2000 cheaper, induction £1300 cheaper, total cost £3300 cheaper, internal costs £700, external costs £4000, 40 days faster, three times as fast, etc.</li> </ul> <p><b>Analysis may include:</b></p> <ul style="list-style-type: none"> <li>• Recruiting internally will require further recruitment (because the business will need to fill the employee’s former job role)</li> </ul>	<p><b>9</b>                  AO1a                  (K) 1                  AO1b                  (U) 1                  AO2                  (APP) 2                  AO3a                  (AN) 2                  AO3b                  (EVAL) 3</p>	<p><b>Use marking grid to assess skill levels.</b></p> <p>Annotate as:</p> <ul style="list-style-type: none"> <li>1 mark for knowledge <span style="border: 1px solid red; padding: 2px;">K</span></li> <li>1 mark for understanding <span style="border: 1px solid red; padding: 2px;">U</span></li> <li>Up to 2 marks for numerical application* <span style="border: 1px solid red; padding: 2px;">APP</span></li> <li>Up to 2 marks for analysis <span style="border: 1px solid red; padding: 2px;">AN</span></li> <li>Up to 3 marks for evaluation <span style="border: 1px solid red; padding: 2px;">EVAL</span></li> </ul> <p>*Application refers to the <b>use</b> of <b>data</b> only.</p> <p>Analysis <b>must</b> be a business-facing impact as a result of a relevant point made.</p> <p>For strong evaluation i.e. the full three marks, the justification <b>must</b> be contextually robust.</p> <p>Do not award ‘children’s shoes’ as context as it is stated in the question.</p> <p>Accept answers written in the inverse i.e. about external recruitment by way of comparison.</p>
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		<ul style="list-style-type: none"> <li>• The employee will be more productive sooner/later</li> <li>• Improve/lower productivity</li> <li>• Higher/lower sales/revenue</li> <li>• Might need training</li> <li>• Lower/higher cost</li> <li>• Greater/lower profit.</li> </ul> <p><b>Evaluation:</b></p> <ul style="list-style-type: none"> <li>• Candidate can justify internal recruitment or external recruitment to being the best method to use to appoint the new Marketing Manager.</li> </ul> <p><b>Exemplar response:</b></p> <p>Internal recruitment is where the Marketing Manager position is filled by a person that already works at BFF <b>(K)</b>. Internal recruitment is usually cheaper <b>(U)</b> than external recruitment, in this case by £2,000 <b>(APP)</b> when compared to external recruitment. This will keep costs low <b>(AN)</b>. The process will also be faster, taking 40 days less <b>(APP)</b> than recruiting externally. However, internal recruitment would mean that the Marketing Manager (Children's shoes) would need to be selected from the current staff, and there is no one with knowledge of the children's shoe market. This could lead to less effective marketing and little, if any, increase in sales revenue <b>(AN)</b>.</p> <p>Overall, I think the new Marketing Manager post should not be recruited internally <b>(EVAL)</b> because they need a specialist in the children's market. £2,000 extra for recruitment is a small price to pay for a specialist who can quickly reverse the falling net profit <b>(EVAL)</b> <b>(EVAL)</b>.</p>		
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Evaluate, with reference to the data in Text 3, whether internal recruitment is the best method to use to fill the position of Marketing Manager (Children’s Shoes).

	Knowledge (1 mark)	Understanding (1 mark)	Application (2 marks)	Analysis (2 marks)	Evaluation (3 marks)
<b>Strong</b>			<b>2 marks</b>  Two relevant <u>data</u> calculations from Text 3. <b>[APP]</b> <b>[APP]</b>	<b>2 marks</b>  Two <u>analytical</u> points (one positive/one negative) about recruiting internally. <b>[AN]</b> <b>[AN]</b>	<b>3 marks</b>  A <b>justified contextual</b> judgement as to whether or not BFF should recruit internally. <b>[EVAL]</b> <b>[EVAL]</b> <b>[EVAL]</b>
<b>Good</b>	<b>1 mark</b> Knowledge of what ‘internal recruitment’ is. <b>[K]</b>	<b>1 mark</b> One or more positive/negative features of recruiting internally. <b>[U]</b>			<b>2 marks</b>  A <b>justified</b> judgement as to whether or not the business should recruit internally. <b>[EVAL]</b> <b>[EVAL]</b>
<b>Limited</b>			<b>1 mark</b>  One relevant <u>data</u> calculation from Text 3. <b>[APP]</b>	<b>1 mark</b>  One <u>analytical</u> point about recruiting internally. <b>[AN]</b>	<b>1 mark</b>  A decision as to whether or not to recruit internally. <b>[EVAL]</b>

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