

INTERNATIONAL AS BUSINESS

BU02

Unit 2: Managing Operations, Human Resources and Finance

Mark scheme

January 2024

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

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

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How to mark

Aims

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

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

Approach

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

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

Assessment Objectives

This component requires students to:

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

The marking grids

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

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

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

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

Using the grids

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

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

Step 1 Determine a level

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

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

Step 2 Determine a mark

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

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

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

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

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

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

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

Annotating scripts

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

Section A

Total for this section: 17 marks

Question	Part	Marking guidance	Total marks
1		<p>A sales manager is paid a commission of 8% for sales she makes over \$10 000.</p> <p>If she makes sales of \$18 000, how much commission does she earn?</p> <p>Answer: A – \$640</p>	<p>1</p> <p>AO1 = 1</p>

Question	Part	Marking guidance	Total marks									
2		<p>Table 1 shows financial data for a business.</p> <table><tr><th></th><th>Year ending 30 March 2022</th><th>Year ending 30 March 2023</th></tr><tr><td>Sales (\$)</td><td>625 000</td><td>850 000</td></tr><tr><td>Cost of sales (\$)</td><td>343 750</td><td>510 000</td></tr></table> <p>Using the data from Table 1, which of the following statements is true?</p> <p>Answer: B – The gross profit margin for year ending 30 March 2023 is 40%.</p>		Year ending 30 March 2022	Year ending 30 March 2023	Sales (\$)	625 000	850 000	Cost of sales (\$)	343 750	510 000	1 AO1 = 1
	Year ending 30 March 2022	Year ending 30 March 2023										
Sales (\$)	625 000	850 000										
Cost of sales (\$)	343 750	510 000										

Question	Part	Marking guidance	Total marks
3		<p>Which of the following best describes micro-finance?</p> <p>Answer: A – A loan which is available to low-income clients.</p>	<p>1</p> <p>AO1 = 1</p>

Question	Part	Marking guidance	Total marks
4		<p>A business has a large number of employees who are members of a trade union.</p> <p>Explain one reason why its employees might be highly productive.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Trade unions can negotiate better working conditions ie pay, working hours which can make workers more satisfied with their work reducing absenteeism and improving productivity. • Trade unions can often lead to a more secure workplace which can lead to lower staff turnover leading to improved productivity. <p>Credit valid alternative content.</p> <p>Good response – 3 marks Explains one reason why a business that recognises a trade union might help improve productivity.</p> <p>Reasonable response – 2 marks Explains a benefit of trade union membership but does not explain how it might help improve productivity.</p> <p>Limited response – 1 mark Identifies relevant knowledge of trade unions with little or no explanation.</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Question	Part	Marking guidance	Total marks
5		<p>An aircraft can carry 220 passengers. It has a capacity utilisation of 85%.</p> <p>Calculate how many more tickets need to be sold to reach full capacity.</p> <p>$0.85 \times 220 = 187$ tickets (1 mark) $220 - 187 = 33$ tickets or 33 (1 mark) OR $0.15 \times 220 = 33$ tickets or 33 (2 marks) OFR (own figure rule applies)</p>	<p>2</p> <p>AO1 = 1 AO2 = 1</p>

Question	Part	Marking guidance	Total marks
6		<p>A business is considering investing \$4 million to extend its factory. The site was valued at \$20 million before the extension but is forecast to be valued at \$28 million once the extension is complete.</p> <p>Calculate the forecast return on investment.</p> <p>$\text{ROI} = (\text{Forecast increase in value of investment} - \text{cost of investment}) / \text{cost of investment} \times 100$ (1 mark) Forecast increase in value of investment = 8m (1 mark) $8\text{m} - 4\text{m} / 4\text{m} \times 100 = 100\%$ (1 mark) OFR (own figure rule applies)</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Question	Part	Marking guidance	Total marks
7		<p>Explain one reason why a business that imports from overseas should consider the lead time when managing inventory.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • The lead time is the period of time that lapses from placing the order for inventory to receiving the order. • It is important to take into consideration when managing stock as the existing inventory will continue to fall when waiting for the new inventory to arrive, which could be a while as they import from overseas, therefore the business must make sure they re-order stock in time so they do not run out of stock. • This means the order must be placed in advance of reaching the buffer level of inventory. • Lead times can also be unreliable, particularly if the goods are travelling a distance from overseas, so contingencies should be considered when deciding on when to order inventory to avoid stock out. <p>Credit valid alternative content.</p> <p>Good response – 3 marks Explains one reason why lead time should be considered and relates it to managing inventory for a business importing from overseas.</p> <p>Reasonable response – 2 marks Explains one reason why lead time should be considered but does not relate it to managing inventory for a business importing overseas.</p> <p>Limited response – 1 mark Identifies relevant knowledge of lead time with little or no explanation.</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Question	Part	Marking guidance	Total marks
8		<p>Explain one way a manufacturer could try to improve labour productivity.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • The manufacturer could use financial incentives such as bonuses or piece rate to motivate employees to be more productive, for example setting higher KPI's to meet in order to receive financial incentives. • It could invest in new technology to speed up the manufacturing process to help improve labour productivity. • The manufacturer could use non-financial incentives such as training or empowerment to motivate employees, as a result they might become more efficient and more productive. <p>Credit valid alternative content.</p> <p>Good response – 3 marks Explains one way in which a manufacturer could try to improve labour productivity.</p> <p>Reasonable response – 2 marks Explains how a business could try to improve productivity but does not link this to a manufacturer.</p> <p>Limited response – 1 mark Identifies relevant knowledge of labour productivity with little or no explanation.</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Section B

Total for this section: 27 marks

Question	Part	Marking guidance	Total marks
9		<p>An online retailer prioritises speed of response as its main operational objective.</p> <p>Analyse two trade-offs this may have for the business.</p>	<p>9</p> <p>AO1 = 3 AO2 = 3 AO3 = 3</p>

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

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

The demands of the question are:

- to analyse two trade-offs
- of prioritising speed of response
- for a business in the given context.

Indicative content includes:

Possible trade-offs

- Prioritising speed of response might have an impact on the total costs of the business as the online retailer is prioritising responding quickly to the customer, for example to do this it may have invested in technology to respond to orders quickly increasing total costs.
- Prioritising speed of response might impact on the quality objectives of the online retailer, for example shipping orders quickly might mean that the retailer focusses its resources on the warehouse operations and might not build in the time to check the quality of the orders before being shipped so mistakes could be made impacting negatively on customer satisfaction too.
- Prioritising speed of response might impact on the environmental objectives of the retailer, for example, in order to focus on the speed of response it might not consider the environmental impact of the transport they use to make the shipments (they will just choose the quickest way).

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
10		<p>A business is operating in a fast-changing market.</p> <p>Analyse two ways ineffective recruitment and selection could have an impact on its competitiveness.</p>	<p>9</p> <p>AO1 = 3 AO2 = 3 AO3 = 3</p>

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

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

The demands of the question are:

- to analyse two ways
- of ineffective recruitment and selection
- in the given context.

Indicative content includes:

Possible ways could include:

- Ineffective recruitment and selection could result in a higher labour turnover, which can increase costs and decrease profit, which could make the business less competitive as it will need as much profit as possible to adapt to the conditions of a dynamic market.
- Ineffective recruitment and selection could lead to a lack of knowledge and skills amongst staff which could result in a decline in quality which could result in a loss of market share. A dynamic market is fast moving and so it is important that the business has the skills and knowledge in its workforce to adapt quickly.
- Ineffective recruitment and selection could lead to a loss of time due to recruiting and training new employees which can lead to customer dissatisfaction, a damaged reputation, demotivated workforce and unlikely to be able to compete with its competitors who are gaining market share quickly in an evolving market place.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
11		<p>A business is experiencing rapid growth.</p> <p>Analyse two reasons why managing its cash flow is important.</p>	<p>9</p> <p>AO1 = 3 AO2 = 3 AO3 = 3</p>

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

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

The demands of the question are:

- to analyse two reasons
- why managing cash flow is important
- for a business in the given context.

Indicative content includes:

Possible benefits:

- A business that is growing rapidly might need to show a cash flow statement or forecast to an investor. If the statement shows that the business has managed its cash flow well or forecasts a positive cash flow forecast it is more likely to be successful in its funding applications to support growth.
- Managing cash flow helps the business to record inflows and outflows which could help project future inflows and outflows which will help the business to be able to predict what it needs to buy and sell in order to grow maximising its chances of growth and customer satisfaction.
- Managing cash flow can help to set targets which could help motivate its workforce which could also help with future growth.
- Effective cash flow management may prevent over-trading as the business grows quickly.

Credit valid alternative content.

Section C

Total for this section: 36 marks

Question	Part	Marking guidance	Total marks
12		<p>A hotel needs to improve its customer satisfaction. The operations manager has decided to implement total quality management (TQM). Do you think this is the right decision?</p> <p>Assess the arguments for and against the operations manager's decision and make a judgement.</p>	<p>12</p> <p>AO1 = 2 AO2 = 2 AO3 = 3 AO4 = 5</p>

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

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

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

The demands of the question are:

- to judge whether total quality management
- is the right decision
- to improve customer satisfaction in the given context.

Indicative content

Arguments for:

- Optimum process, all staff including reception, restaurant and housekeeping take responsibility for quality with zero defects which should eliminate customer complaints and improve customer satisfaction.
- Reduces waste and costs which can allow the hotel to invest more money into improving the customer experience.
- Could strengthen their competitive position.
- Could improve employee morale as employees feel valued and empowered which should improve motivation and improve their customer service improving customer satisfaction.
- Could enhance their market image and position allowing for more sales and more investment in the hotel to improve customer satisfaction.

Arguments against:

- Requires a culture of zero defects and responsibility which the business may not have, the hospitality industry is known for high staff turnover and low level wages so having the necessary culture to implement TQM is unlikely.
- Will require time to develop the culture which they might not have, in the meantime customer satisfaction rates could still decline damaging the reputation of the hotel further.
- May require training and development for the whole workforce which is time consuming and might not result in rapid quality improvement resulting in further decline of customer satisfaction.
- May be costly to set up and sustain with the need to update training, this might result in an increase in costs and selling prices which could further dissatisfy customers.

Potential judgement:

- The change is urgent, as it is a hotel: the consequences of declining customer satisfaction could be a damaged reputation (through poor reviews) and could result in closure or redundancies.
- The fact that there is a need to improve customer service in the hotel suggests that the workforce may lack motivation and TQM needs a motivated and engaged team to implement.
- TQM could take longer than they have to implement, a quicker process could be quality control where quality is checked by inspectors to try to improve quality quickly.
- It depends on the type of hotel and if the staff are loyal and experienced and would be willing to buy into TQM.

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

Question	Part	Marking guidance	Total marks
13		<p>A retailer is planning to delegate more to reach its aim of increasing sales.</p> <p>Assess the arguments for and against this plan and make a judgement.</p>	<p>12</p> <p>AO1 = 2 AO2 = 2 AO3 = 3 AO4 = 5</p>

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

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

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

The demands of the question are:

- to analyse the arguments for and against delegation
- in the given context
- and make a judgement.

Indicative content

Arguments for:

- Gives senior management time and ability to focus on higher level strategic tasks to support its aim of increasing sales.
- In retail it is important to understand the local environment to meet local customer needs, store managers in different countries will know their local market, suppliers and staff better and so might be best placed to make decisions to improve sales.
- Delegating gives employees more decision-making power which can allow them to be more flexible to respond to local demand and satisfy customers increasing market share through increasing sales.
- Delegation develops trust and improves motivation which may create new ideas to develop new products/services to meet customer needs and lead to an increase in sales.

Arguments against:

- Delegation can require extra training for managers to be able to carry out tasks which will take time and money, this might be an opportunity cost into the investment to increase sales.
- If managers are not confident in carrying out the tasks, quality might suffer.
- Managers may feel they have too many tasks to do already and may struggle to complete the delegated task to the required standard which could impact on quality and its ability to achieve its sales target.

Potential judgement:

- It depends on the experience and expertise of the employees and the culture of the organisation.
- The training and time available, how quickly do they need to increase sales?
- Depends on the brand image of retailer – delegating could impact on consistency across the stores which could impact on their sales targets.

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

Question	Part	Marking guidance	Total marks
14		<p>A charity needs to raise \$5000 for a new project. It has decided to use crowd-funding. Do you think this is the best way for the charity to raise the finance?</p> <p>Assess the arguments for and against this decision and make a judgement.</p>	<p>12</p> <p>AO1 = 2 AO2 = 2 AO3 = 3 AO4 = 5</p>

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

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

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

The demands of the question are:

- to analyse the arguments for and against crowd-funding
- in the given context
- and make a judgement on the decision.

Indicative content

Arguments for crowdfunding:

- Can promote the charity brand so it becomes more well known.
- Can gain customer/donator loyalty as the donator feels invested in the charity. A charity is likely to get a lot of support due to the nature of the charity.
- Is usually quicker and easier to gain the finance and there is no limit to the amount the charity could crowdfund for. \$5000 is not a huge sum of money and the target could be reached quite quickly.
- Don't usually have to pay back.

Arguments against crowdfunding:

- Not guaranteed any set amount of money and most crowdfunding campaigns fail to reach their funding goals, there are likely to be many charities who are crowdfunding so the market place may be overcrowded.
- Preparing the campaign can take a lot of time which could distract from the other work the charity does.
- Crowdfunding platforms can be restrictive and it is not guaranteed they will accept the charity's campaign.

Potential judgement:

- It depends how urgent the need for a cash injection is.
- The charity could apply to use other appropriate sources of finance such as government grants or private donations.
- It could also depend on the type of charity it is and the exposure it has to other possible sources of finance.

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

Assessment Objective Grid

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