

INTERNATIONAL AS BUSINESS

BU02

Unit 2: Managing Operations, Human Resources and Finance

Mark scheme

June 2025

Version: 0.1 Pre-Standardisation



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.

Further copies of this mark scheme are available from oxfordaqa.com

Copyright information

OxfordAQA retains the copyright on all its publications. However, registered schools/colleges for OxfordAQA are permitted to copy material from this booklet for their own internal use, with the following important exception: OxfordAQA cannot give permission to schools/colleges to photocopy any material that is acknowledged to a third party even for internal use within the centre.

Copyright © 2025 OxfordAQA International Examinations and its licensors. All rights reserved.

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 summarise your judgement briefly at the end of each response. This will help you decide on the overall level and is helpful for others to understand the mark given. Ensure the comments fit with the level awarded and the language of the level descriptors used in the mark scheme. Next to your comment put the level awarded, eg L4. 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>In which of these situations would a business use Just in case (JIC) inventory control?</p> <p>Answer key: B – When customers expect products to be available at short notice</p>	<p>1</p> <p>AO1 = 1</p>

Question	Part	Marking guidance	Total marks
2		<p>Which method of motivation is most closely associated with the theorist Taylor?</p> <p>Answer key: D – Piece-rate pay</p>	<p>1</p> <p>AO1 = 1</p>

Question	Part	Marking guidance	Total marks																		
3		<div>Table 1: Cash flow statement</div> <table><tr><td></td><td>March</td><td>April</td></tr><tr><td>Opening balance</td><td>\$30 000</td><td>\$25 000</td></tr><tr><td>Cash in</td><td>\$20 000</td><td>\$25 000</td></tr><tr><td>Cash out</td><td>\$25 000</td><td>\$15 000</td></tr><tr><td>Net cash flow</td><td>(\$5000)</td><td></td></tr><tr><td>Closing balance</td><td>\$25 000</td><td></td></tr></table> <p>According to Table 1, what is the closing balance for April?</p> <p>Answer key: C – \$35 000</p>		March	April	Opening balance	\$30 000	\$25 000	Cash in	\$20 000	\$25 000	Cash out	\$25 000	\$15 000	Net cash flow	(\$5000)		Closing balance	\$25 000		1 AO1 = 1
	March	April																			
Opening balance	\$30 000	\$25 000																			
Cash in	\$20 000	\$25 000																			
Cash out	\$25 000	\$15 000																			
Net cash flow	(\$5000)																				
Closing balance	\$25 000																				

Question	Part	Marking guidance	Total marks				
4		<p style="text-align: center;">Table 2: Cost and revenue data</p> <table><tr><td>Sale Revenue</td><td>\$30 000</td></tr><tr><td>Costs of sales</td><td>\$9000</td></tr></table> <p>Using the data in Table 2, calculate the gross profit margin.</p> <p>\$30 000 – \$9000 = \$21 000 (1) (\$21 000/\$30 000) × 100 = 70% (2) 70 or 70% (2)</p> <p>OFR applies</p>	Sale Revenue	\$30 000	Costs of sales	\$9000	<p>2</p> <p>AO1 = 1 AO2 = 1</p>
Sale Revenue	\$30 000						
Costs of sales	\$9000						

Question	Part	Marking guidance	Total marks
5		<p>Explain one disadvantage to a business with falling sales of using a debenture.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • The business has to make interest payments on the amount loaned. • With falling sales it may be difficult to pay the interest payments. • A debenture can include a security over a business assets. • Risks such as the inflexible interest payments that must be made on the debenture value. Or, how most debentures hold a security over a business' assets and this will guarantee the investment if the business defaults on the debenture repayment. • Explains that having to pay interest is a financial risk but does not expand on the implications of this risk when a business has falling sales. • States a disadvantage of debentures only. <p>Credit valid alternative content.</p> <p>Good response (3 marks) Explains the use of a debenture as a source of finance and the risk they may have to a business in which the sales are falling.</p> <p>Reasonable response (2 marks) Explains relevant points but does not fully link the explanations to how the offered disadvantage is relevant to a business with falling sales.</p> <p>Limited response (1 mark) Shows relevant points with no explanation or development.</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Question	Part	Marking guidance	Total marks
6		<p>Explain one way a manufacturer could reduce its break-even level of output.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • The manufacturer could reduce the fixed costs and this would decrease the break-even output level. This is true if all other variables remained the same, or the price increased at the same time. • The manufacturer could reduce the variable costs and this would decrease the break-even output level. This is true if all other variables remained the same, or the price increased at the same time. • The selling price could be increased and this would decrease the break-even output level. This is true if costs remain the same or decrease at the same time. • The retailer would have to sell fewer products to break even than before the reduction in either/both costs. This would only happen if the price remained the same or increased. <p>Credit valid alternative content.</p> <p>Good response (3 marks) Explains why a reduction in fixed costs and/or the variable costs would lower the break-even output level.</p> <p>Reasonable response (2 marks) Explains that reducing costs or increasing price reduces the break-even output level, without reference to other variables remaining constant or changing in a positive way.</p> <p>Limited response (1 mark) Shows relevant points or limited knowledge of break -even output levels.</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Question	Part	Marking guidance	Total marks
7		<p>A clothing manufacturer wants to reduce unit costs.</p> <p>Explain one potential drawback of this decision.</p> <p>Indicative content</p> <ul style="list-style-type: none"> Reducing unit costs may mean reducing the quality of materials used for cheaper alternatives. Reducing unit costs may mean paying employees less. Reducing unit costs may involve changing production processes and quality is impacted through this. If the unit costs are reduced through changes in employee pay, an explanation of how this could have a negative impact on the production of the clothing. <p>Credit valid alternative content.</p> <p>Good response (3 marks) Explains the link between reducing unit costs and the impact this may have on the quality of the clothing produced, either through the quality of materials or the process of making the clothing.</p> <p>Reasonable response (2 marks) Explains relevant points but does not fully link explanations to say how the reduction in unit costs may impact the manufacturer.</p> <p>Limited response (1 mark) Shows relevant points or limited knowledge of unit costs with no explanation or development.</p>	<p>3</p> <p>AO1 = 1 AO2 = 2</p>

Question	Part	Marking guidance	Total marks
8		<p>An advertising business works in a highly competitive global market.</p> <p>Explain one benefit for the business of having a diverse workforce.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • A diverse mix of employees means there are representatives from different backgrounds. • A diverse mix of employees is a benefit to the business as the business can use the knowledge and experience of the employees as a competitive advantage. • The business can use the views and opinions of the employees to influence the activities of the business. • Having a diverse mix of employees allows the business to ensure different cultures and different groups of consumers/target markets are represented and catered for within the activities. • A range of genders and cultures represented, and how this may allow the business to make better decisions through using the knowledge and experience of the employees. Operating in a global market means different customer groups may be targeted, having a diverse mix of employees could give the business a competitive advantage in the highly competitive market. • Explains that having a diverse mix of employees has benefits for the business, but not clearly explained why this benefits a business operating in a competitive global market. <p>Credit valid alternative content.</p> <p>Good response (3 marks) Explains a clear link between having a diverse mix of employees.</p> <p>Reasonable response (2 marks) Explains relevant points but does not fully link explanations to say how the company is benefitted through having a diverse workforce.</p> <p>Limited response (1 mark) Shows relevant points or limited knowledge of what a diverse mix of employees is with no explanation or development.</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>A business is operating in a fast changing market.</p> <p>Analyse two ways an effective Human Resources (HR) department could improve the business' 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 that effective communication,
- between Human Resources (HR) and operations,
- for a business in a fast-changing market,
- could improve a business' competitiveness.

Indicative content

- An effective HR department would mean the HR needs of the business are met effectively. This makes the business competitive as it can respond to changes in the fast-changing market. If the business needs to recruit more employees, an effective HR department will enable this to happen quickly, efficiently, and will provide the best employees for the role(s).
- An effective HR department will be aware of the HR needs of the business such as recruitment, training and retention. This enables the business to be competitive in the fast-changing market as the HR department will respond effectively to the needs of the business and to the changes in the market.
- Employees in the business may be strong employees because the HR department has recruited and retained them effectively.
- Employees can be recruited effectively and efficiently, responding to potential changes in the market.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
10		<p>A business is experiencing growing sales.</p> <p>Analyse one advantage and one disadvantage of creating a finance budget 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 **one** advantage and **one** disadvantage,
- of creating a finance budget,
- for a business experiencing growing sales.

Indicative content

Advantages

- A finance budget is an agreed plan, made by the business to help keep control over the finances.
- Creating a finance budget will allow the business to have more control over the financial impact of the growing sales, this will be especially helpful if the sales are growing rapidly and is more than the business is used to dealing with.
- Creating a budget allows the business to compare actual finance figures, such as costs, to the budgeted figures, meaning an analysis of spending can be made and then acted on appropriately.

Disadvantages

- When deciding on the budget figures, identifying and justifying these can be difficult. This is especially true if the sales are growing and the values are unknown.
- If the sales growth is a new experience for the business then creating a budget may be difficult as the business has no previous experience to base the figures on.
- If the finance budget is not realistic, this could cause employees/departments to feel under pressure to meet the budget targets and could impact the performance of the business.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
11		<p>A restaurant plans to introduce technology to improve inventory control.</p> <p>Analyse two ways this could improve its profits.</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 how technology for inventory control,
- could improve profits,
- for a restaurant.

Indicative content

- The introduction of technology such as computer systems, barcoding, or any other inventory control management systems will mean inventory is managed more efficiently. This will reduce the time spent on organising/managing inventory and improve profit through cost savings.
- The use of technology in inventory control reduces the need for employees. This could reduce the costs for a business and therefore improve profit.
- The suppliers and the restaurant may have aligned technology that significantly reduces the time spent for the restaurant in ordering inventory. This can impact profit through cost savings.
- If the systems are regularly updated and linked with suppliers, then this could be a benefit as it would mean the business is able to re-stock quickly and efficiently. This means the restaurant is more likely to have the required stock and can meet the needs of the customers. This will improve profit as the sales are likely to be higher.
- The use of Artificial Intelligence (AI) in inventory control to benefit the profit position. (AI content not expected but may be included).

Credit valid alternative content.

Section C

Total for this section: 36 marks

Question	Part	Marking guidance	Total marks
12		<p>An ethical clothing business wants to increase profits. The business has decided it can do this by changing suppliers to a cheaper alternative rather than increasing the price of the clothes sold.</p> <p>Assess the arguments for and against changing suppliers rather than increasing the price 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,
- changing suppliers rather than increasing the price of clothes sold,
- for an ethical business (or in the context of an ethical business),
- and make a judgement.

Indicative content

Arguments for

- Changing suppliers to a cheaper alternative will reduce the costs to the business and will increase the profit (assuming the price remains the same).
- If the business is aiming to increase profit quickly, changing to cheaper suppliers will reduce costs and improve profit quickly.
- If consumers respond favourably to the products made with the suppliers' materials then this decision is the best one for the business.
- If the new supplier is still considered ethical then the decision may work favourably for the business.

Arguments against

- The cheaper supplier could mean the clothes are produced with lower quality materials and do not fit with the ethical element of the business.
- The potential reduced quality which could lead to less sales of the clothes, leading to lower overall profit.
- There is a risk of a new supplier increasing prices in the future.
- The risk of the new supplier not meeting order quantities or delivery times.
- Consideration of the ethical context; how important is the supplier quality to the customers of this business.
- Raising price; the impact of price elasticity of demand (PED) on the profit if the business chooses to do this.
- Raising the price of the clothes will lead to a higher profit assuming the costs remain the same and demand does not decrease.

Potential judgement

- The business needs to make the right decision that benefits the profit position in the best way.
- The impact that the decision has on the ethical viewpoint of the customers and potential customers.
- The fact that there is no guarantee of profit increasing in either of the options. It could be argued that if the business is selling an inelastic product, an increase in price will see an increase in profit. If the business decides to change to cheaper suppliers it runs the risk of reduced profit if it impacts the quality and then sales of the product.

Credit valid alternative content.

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

Question	Part	Marking guidance	Total marks
13		<p>A manufacturer has experienced falling productivity.</p> <p>The operations manager plans to implement Kaizen. Is this a good idea?</p> <p>Assess the arguments for and against 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 why Kaizen may increase productivity,
- to analyse why Kaizen may not increase productivity,
- in the context of a manufacturer experiencing a fall in productivity,
- and make a judgement.

Indicative content

Arguments for

- Kaizen is a specific lean production method that focuses on small continuous improvements. If it is implemented effectively it will lead to productivity improving.
- If employees carry out the required tasks of Kaizen correctly; such as assessing the production process, making note of small changes needed, this will lead to improvements in productivity.
- As a lean production method, Kaizen is likely to improve productivity as long as the employees are willing to take the concept of Kaizen on board and fully engage with the process.

Arguments against

- Kaizen requires high levels of employee engagement and motivation; it will not work effectively if employees do not want to engage.
- Kaizen takes time and training of employees to be implemented successfully; this will be a cost to the business.
- Some manufacturing staff may have low-skilled jobs and may not see the benefit in putting the effort in to allow Kaizen to work.
- To work effectively the ideas for continuous improvement have to be implemented by the managers in order to improve productivity.
- Kaizen may not solve the issues that are causing the reduced productivity, there may be a requirement to look at other solutions such as motivation theories.

Potential judgement

- The willingness of the employees to engage in the process of Kaizen.
- Kaizen being implemented successfully and effectively and, therefore, improving productivity.
- Time and cost of implementing Kaizen will impact how quickly productivity improves.
- What are the cause(s) of the reduced productivity in the first place and will Kaizen address these?

Credit valid alternative content.

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

Question	Part	Marking guidance	Total marks
14		<p>A cinema is setting its long-term objectives.</p> <p>The managing director believes maintaining high capacity utilisation is a priority over customer satisfaction.</p> <p>Assess the arguments for and against maintaining high capacity utilisation 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 prioritising high capacity utilisation,
- to analyse the arguments against prioritising high capacity utilisation,
- in the context of a cinema,
- and make a judgement.

Indicative content

Arguments for

- High capacity utilisation means costs are being spread over more cinema tickets sold, resulting in lower costs per seat, potentially increasing profit.
- High capacity utilisation as a long-term objective means the focus is always on selling as many cinema tickets as possible. This is likely to mean reduced costs and increased profit will be the long-term objectives of the cinema.
- There may be high costs associated with running a cinema and so there is a need to cover these costs with as many ticket sales as possible.

Arguments against

- High capacity utilisation as a long-term objective may be achieved at the cost of lower customer satisfaction. This could be because selling more cinema tickets means cinemas are busy and could negatively impact customer experience and, therefore, customer satisfaction.
- In achieving high capacity utilisation the cinema may sell out of tickets for films and this could be viewed negatively by customers, in the long term this could be detrimental to the cinema.
- The cinema could suffer in the long term with poor customer satisfaction rates which means the cinema may struggle to achieve high capacity utilisation.
- Customers are able to leave ratings for businesses such as cinemas on various websites. Negative customer feedback could damage the reputation of the cinema and cause long-term issues such as a fall in ticket sales.

Potential judgement

- What the business is trying to achieve in the long term? If it is reduced costs, economies of scale and/or increase in profit then it is the right decision to focus on high capacity utilisation.
- The long-term impacts of the options. Is the sustainability of high capacity utilisation over customer satisfaction important in the long-term?
- The overall aims of the business; long-term objective of high capacity utilisation or customer satisfaction?

Credit valid alternative content.

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

Assessment Objective Grid

	AO1	AO2	AO3	AO4	Total
Section A					
1	1				1
2	1				1
3	1				1
4	1	1			2
5	1	2			3
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