

**Business Studies**

General Certificate of Secondary Education

Unit **A292**: Business and People

**Mark Scheme for January 2012**

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

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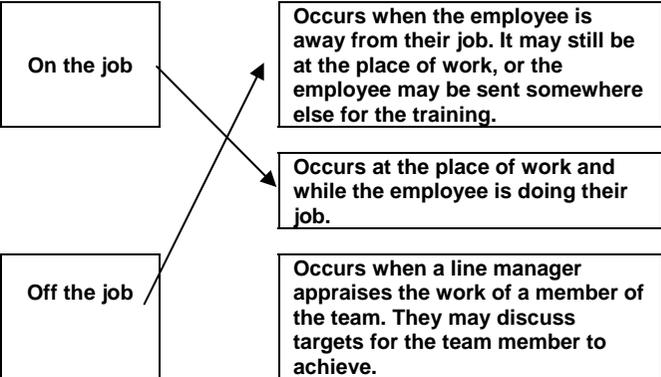
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## Annotations

Annotation	Meaning
	Unclear
	Cross
	Error carried forward
	Level 1
	Level 2
	Level 3
	Level 4
	Not answered question
	Repeat
	Tick
	Benefit of doubt
	Expansion of a point
	Own figure rule

Question		Answer	Marks	Guidance
1	(a) (i)	<p>Many possible answers:</p> <ul style="list-style-type: none"> <li>• provision of goods/services</li> <li>• allow 'employment opportunities' and 'serving the community'.</li> <li>• to make a profit.</li> </ul> <p><u>Examples</u>  <i>Cocoa plc exists as it provides goods (1) which people wish to buy and consume (1).</i>  <i>To make profit (1) as this provides money for investment (1)</i>  <i>Provide chocolate for people (1) which it sells (1)</i>  <i>Provide goods (1) to make a profit (1)</i>  <i>Satisfy demand(1) so making money(1)</i></p>	2	<p>One mark for a correct identification of a reason.  Plus a further one mark for an explanation.</p> <p>Allow 1x2 or 2x1</p>
	(ii)	<p>Many possible answers:</p> <p><i>Maximising profit may mean cost cutting, eg redundancies (1) and this may actually lead to poor motivation amongst employees thus not increasing motivation (1).</i></p>	2	<p>Up to two marks.</p> <p>Both <b>profit and motivation</b> need to be referenced for the 2 marks on offer. This can be implicit.</p> <p>1x2</p>
	(b) (i)	<p>Many possible answers:</p> <p>An organisation chart helps group employees into particular areas dependent on their function (1) and employees thus know the hierarchy (1) and thus communications are smoother which ultimately benefits the business (1).</p> <p><i>Allow one mark for 'so people know where they fit (1)'</i>  <i>Allow 'improve communication (1) as people know who their line manager is (1)</i>  <i>Allow 'so you know who you are in charge of (1) therefore you make them accountable which makes the business more efficient' (1)</i>  <i>Allow 'clear instructions are fed down the chain of command (1) as each manager knows who they are responsible for (1)</i></p>	2	<p>One mark for a correct identification of a benefit.  Plus a further one mark for an explanation.</p> <p>Allow 2x1 or 1x2</p>

Question	Answer	Marks	Guidance
	<p>(ii) Many possible answers:</p> <p>In 1970 the partnership may not have had many employees as compared to a plc (1). It is likely the partners did many jobs. Clearer internal organisation is required (1) when the number of employees increases.</p> <p><i>Allow 'there is likely to have been a sharp increase in the number of employees (1) therefore these need to be controlled hence each area of business will have a manager which may not have been the case with a partnership which may have only a few employees' (1)</i></p> <p><i>Business has expanded/bigger/growth(1), so more workers(1)</i>  <i>Run by partners initially(1), but now run by Board of Directors(1)</i></p>	<p>2</p> <p>1x2</p>	<p>One mark for a correct identification of a change. Plus a further one mark for an explanation.</p> <p><b>The question refers to a comparison of 1970 partnership with a 2012 PLC, i.e. small to large business</b></p>

Question		Answer	Marks	Guidance
	(iii)	Span of control refers to how many people a manager is in charge of (1). From Fig.1 we see that the Production Director has direct responsibility for four managers (1).	2	One mark for an understanding of the term span of control. <b>Plus a further one mark for an appropriate example from Fig.1.</b>
	(c)	<ul style="list-style-type: none"> <li>Age discrimination (1) as the business is not allowed to be ageist, by stating 20 to 30 age, when recruiting workers (1).</li> <li>Race discrimination (1) as the business can not specify that it wants a British person (1).</li> </ul>	4	One mark for each correct identification, up to a maximum of two identifications.  Plus a further one mark for each of two explanations.  <b>The exact name of the act is NOT required.</b>  Must reference age or race( <i>allow reference to ethnic or non-British</i> )  2x2
	(d) (i)		2	One mark for each correct identification up to a maximum of two  2x1

Question		Answer	Marks	Guidance	
				Content	Levels of response
	(ii)*	<p>Possible lines of argument.</p> <p><b>Advantages – on job training</b></p> <ul style="list-style-type: none"> <li>• employee is still carrying out responsibilities whilst learning skills</li> <li>• financial cost is cheaper than employing an outside body to do the training</li> <li>• training will be directly related to tasks/circumstances in the work place.</li> </ul> <p><b>Advantages – off job training</b></p> <ul style="list-style-type: none"> <li>• employee will have no distractions to learning new skills</li> <li>• employee will feel ‘wanted’ as company is invested in them.</li> <li>• training may be provided by a specialist expert or using specialist equipment</li> </ul> <p><u>Example</u>  <i>Training your workers yourself is financially cheaper than employing an outside body to do the training, and the employee is still carrying out responsibilities whilst learning skills, thus work is still getting done. Using outside bodies to train maybe a much better way of training as they are specialised in training employees. In addition, employees will feel ‘wanted’ as the business has invested in them. Overall, I think it depends on the type of job. Given this particular job is a receptionist I believe that on-the job training would be more appropriate as Sharon would be learning from the other receptionists, and the job is not that skilled, thus duties are pretty straightforward to learn.</i></p>	6*	<p>Question clearly requires analysis of the advantages of <b>both</b> types of training and thus Level 3 can not be achieved if this reference is missing.</p> <p><b>The judgement mark (6<sup>th</sup> mark) – why is one type of training better than the other?</b> Judgement mark could also take into account Sharon’s job namely a receptionist – does she really need off-the job training?</p>	<p><b>Level 3: (5 – 6 marks)</b></p> <p>Analysis of <b>both</b> types of training.</p> <p>Judgement required for maximum mark</p> <p><i>Relatively straight forward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar but these are unlikely to be intrusive or obscure meaning.</i></p> <p><b>Level 2: (3 – 4 marks)</b></p> <p>Analysis of one advantage of <b>either</b> type of training <b>applied</b> to Sharon – <i>this application can refer to ‘Sharon’, ‘new employee’, ‘receptionist’, or ‘the business’.</i></p> <p><i>Simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive but do not obscure meaning.</i></p> <p><b>Level 1: (1 – 2 marks)</b></p> <p>An advantage of <b>one</b> type of training stated</p> <p><i>Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive.</i></p> <p><b>No Level</b></p> <p><i>Those candidates who fail to reach the threshold standard in all respects. 0</i></p>

Question	Answer	Marks	Guidance
(e)	<p>Many possible answers:</p> <p>Cocoa plc might hold consultation meetings(1) with the employees so that it can listen to the employees concerns and respond to them directly(1) and reassure the employees(1)</p> <p>Allow</p> <ul style="list-style-type: none"> <li>• <i>Cocoa plc buys its own shares back</i></li> <li>• <i>Cocoa plc look to merge with another business with the aim of not being takeover e.g. Rowntree attempted merger with Cadburys to prevent Nestle takeover</i></li> <li>• <i>Give long term contracts, which provides long term security</i></li> <li>• <i>Give bonus to motivate staff ( do not allow pay rise)</i></li> <li>• <i>'Revert back to LTD status (1) by buying shares back from the stock exchange (1)'</i></li> </ul>	2	<p>One mark for a correct identification of a response. Plus a further one mark for an explanation.</p> <p>2x1</p>

Question		Answer	Marks	Guidance
	(f) (i)	<p>Many possible answers:</p> <ul style="list-style-type: none"> <li>• <i>wages are higher in the UK</i></li> <li>• <i>rent/property price too high</i></li> <li>• <i>too many labour regulations, eg WTD</i></li> <li>• <i>quality of products</i></li> <li>• <i>close to suppliers</i></li> <li>• <i>transport costs</i></li> <li>• <i>exchange rates</i></li> <li>• <i>close to suppliers</i></li> <li>• <i>more well-known</i></li> <li>• <i>less pollution laws.</i></li> </ul> <p><u>Example</u>  <i>Because the UK may have higher wages it may be higher than outside the EU (1). WCC may decide to relocate outside the EU thus saving on wage costs and thus increasing profit (1).</i></p> <p><i>Allow 'lower minimum wage (1) thus lower costs (1)'</i>  <i>Allow 'other governments may have offered grants (1) which increases money to use within the business' (1)</i>  <i>Allow 'better quality labour (1)'</i></p>	4	<p>One mark for each correct identification, up to a maximum of two identifications. Plus a further one mark for each of two explanations.</p> <p><b>Do not allow</b> 'the area has more people and therefore more people will buy the chocolate'.</p> <p>2x2</p>

Question	Answer	Marks	Guidance
(ii)	<p>Many possible answers:</p> <ul style="list-style-type: none"> <li>• loss of jobs</li> <li>• loss of income</li> <li>• migration of workers out of the area</li> <li>• increased crime rates</li> <li>• reduce pollution</li> <li>• reduce traffic/peaceful</li> <li>• reduction in tourists e.g. Cadburys.</li> </ul> <p><u>Example</u>  <i>Relocation of Cocoa plc will mean employees will lose their jobs (1) and if they are unable to find work it may mean families leaving the local area and, therefore, other businesses suffer due to a loss of sales (1).</i></p>	2	<p>One mark for a correct identification of a reason.</p> <p>Plus a further one mark for an explanation.</p> <p>1x2</p>
	<b>Total</b>	<b>30</b>	

Question		Answer	Marks	Guidance
2	(a) (i)	<p>One mark for each of the following</p> <ul style="list-style-type: none"> <li>On its profits Minerals plc pays <b>CORPORATION TAX</b>.</li> <li>When the Managing Director retires, Minerals plc will <b>CONTINUE TO OPERATE</b>.</li> <li>When Minerals plc mines for gold it is said that the business is a part of the <b>PRIMARY SECTOR</b>.</li> </ul>	3	<p>One mark for each correct identification, up to a maximum of three identifications.</p> <p>If both boxes are crossed out award no marks for that sentence.</p> <p>3x1</p>
	(ii)	<p>Many possible answers:</p> <p><b>Limited liability for the owners</b> means that the owners will not lose their personal possessions (1) if the business goes into liquidation/not able to pay its debts (1).</p> <p><b>Ability to raise large amounts of capital</b> will help with investment in expanding the business (1) which helps keep the business more competitive (1).</p> <p><i>Allow – large amounts of money leads to expansion, diversification (1), which means they become more competitive (1).</i></p>	4	<p>One mark for each correct reason up to a maximum of two marks, plus a further one mark for each of two explanations.</p> <p>The question centres on the <b>importance</b> of the factors therefore do not award an <b>explanation</b> of the factors</p> <p>2x2</p>
	(iii)	<p>Many possible answers:</p> <ul style="list-style-type: none"> <li>competitors can see information (1)</li> <li>public and competitors (1) can see stability/wealth of business (1)</li> <li>value of business may decrease (1) as shares withdraw investment due to poor financial information (1)</li> <li>Public can see accounts (1) and may sell shares which may decrease value of business (1).</li> </ul>	2	<p>2x1</p>

Question	Answer	Marks	Guidance
	<p><u>Example</u>  <i>Anyone, including competitors, public, media or any appropriate stakeholder(1) can see its financial information therefore, they can gain a good insight into the stability/wealth of the business which may lead to hostile takeover bids (1).</i></p> <p><i>Allow two marks for 'competitors can see all information (1) which may give them a competitive advantage .eg see ways in which they can get their costs lower (1)</i></p> <p><i>Allow two marks for 'anyone can get hold of the information (1) and this could cause bad publicity for the company' (1).</i></p>		
	<p>(iv) Many possible answers:</p> <ul style="list-style-type: none"> <li>• mining may cause pollution</li> <li>• mining abroad may mean underage children are being used</li> <li>• customers who want to buy gold related products</li> <li>• buys shares and get a dividend</li> <li>• buy gold for personal or business use</li> <li>• maintaining jobs as gold is often found in less developed countries.</li> </ul> <p><u>Example</u></p> <p>Gold is very valuable and customers around the world want gold products (1) therefore without companies such as Minerals plc there would be less gold for sale (1). However, as mining causes pollution then people would be concerned about the environment (1).</p>	3	<p>Up to three marks</p> <p>3x1 allow 1x3</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
	(b)*	<p>Many possible answers:</p> <p><b>Benefits to employees of being a members of a Trade Union</b></p> <ul style="list-style-type: none"> <li>• a Trade Union is a provider of advice and guidance</li> <li>• collective bargaining is more powerful than individual bargaining</li> <li>• a Trade Union can protect individual workers from mistreatment by their employers.</li> </ul> <p><b>Benefits to employees of NOT being members of a Trade Union</b></p> <ul style="list-style-type: none"> <li>• do not have to pay subscription fees</li> <li>• not 'made to go' on strike thus not losing money.</li> </ul> <p><u>Example</u></p> <p><i>As an employee you may have problems with the management, eg an issue regarding wages or health and safety. Most employees may not know the individual laws relating to such issues, therefore, the Union can offer guidance and advice. However, Union membership comes at a financial cost, namely a monthly subscription and if you are not a member you do not have to pay this. Overall, I would suggest an employee is better off from being a member of a Trade Union as having a body to fight for you will be more powerful than doing it yourself. An employer will take a group of employees' views more importantly than an individuals'.</i></p>	6*	<p>An important part of the question is the reference to <b>employees</b> NOT the company.</p> <p>A candidate may give the disadvantages of trade union membership to imply the benefits of not being in one.</p>	<p><b>Level 3: (5 – 6 marks)</b></p> <p>Analysis of the advantages of being in a Trade Union <b>AND</b> benefits to employees of not being members of a Trade Union</p> <p>Judgement required for maximum marks.</p> <p><i>Relatively straight forward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar but these are unlikely to be intrusive or obscure meaning.</i></p> <p><b>Level 2: (3 – 4 marks)</b></p> <p>Advantages of being in a Trade Union <b>OR</b> benefits to employees of not being members of a Trade Union</p> <p><i>Simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive but do not obscure meaning.</i></p> <p><b>Level: (1 – 2 marks)</b></p> <p>Basic outline of an advantage or disadvantage of Trade Union membership to stated employees</p> <p><i>Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive.</i></p> <p><b>No Level</b></p> <p><i>Those candidates who fail to reach the threshold standard in all respects. 0</i></p>

Question	Answer	Marks	Guidance
(c) (i)	<p>Possible answers:</p> <ul style="list-style-type: none"> <li>• telephone</li> <li>• fax</li> <li>• e-mail</li> <li>• text.</li> </ul> <p><u>Example</u>  <i>'e-mail' (1) as it is a very quick (1) way of communicating with people all over the world.</i></p>	2	<p>One mark for a correct identification.  Plus a further one mark for an explanation.</p> <p>Do <b>not</b> allow video conferencing as this is not a suitable media for sending a <b>brief</b> but <b>urgent</b> message.</p>
	<p>(ii) <b>Advantage of video conferencing</b></p> <ul style="list-style-type: none"> <li>• cost savings in that there is no need for the business to pay to bring each Director to the UK</li> <li>• can see facial expressions and thus assess understanding. This is not the case with telephone/e-mail.</li> </ul> <p><u>Example</u>  <i>It can save the business money (1) as they do not need to pay travel expenses (1) for bringing each Director to the UK</i></p> <p><i>allow –'speak to all the directors at once'.</i></p> <p><b>Disadvantage of video conferencing</b></p> <ul style="list-style-type: none"> <li>• interaction of the sender and the receiver more difficult than if in the room</li> <li>• harder to gauge reaction of the sender/receiver than if in person</li> <li>• Virus and technical issues, ISP is down</li> <li>• cost of set up or breakages</li> <li>• different time zones.</li> </ul> <p><b>Do not allow reference to 'language barriers'</b></p> <p><u>Example</u>  <i>If the Directors are in different time zones (1) then it might be the middle of the night when the video conference takes place (1) and some employees may be tired and not focussed (1).</i></p>	4	<p>One mark for the correct identification of an advantage and one mark for the correct identification of a disadvantage.  Plus a further one mark for each of two explanations.</p> <p>2x2</p>

Question	Answer	Marks	Guidance
(d) (i)	<p>Possible lines of argument:</p> <p><b>Advantage of home working to employees</b></p> <ul style="list-style-type: none"> <li>• save time and/or money by not travelling to work</li> <li>• more freedom about the hours which they work</li> <li>• less stress as no need to travel to work</li> <li>• flexible hours thus allowing parental responsibilities</li> <li>• more comfortable with their work which makes them more efficient.</li> </ul> <p><i>Example</i> Employees do not have to travel to work (1), thus less tired/stressed (1).</p> <p>Allow 'fewer distractions at home (1) therefore more productive/efficient/get work done quicker'(1).</p> <p><b>Disadvantage of home working to employees</b></p> <ul style="list-style-type: none"> <li>• may not be able to exchange ideas with colleagues</li> <li>• may be a lack of space/facilities at home.</li> <li>• distractions may lead to demotivation.</li> </ul> <p>Allow 'lack social contact (1) which impacts on motivation (1)' – we allow 1 mark for the implied "lack of happiness".</p> <p><i>Example</i> Employees may have many distractions at home (1) therefore they may not be as focussed as if they were at company office (1).</p>	4	<p>One mark for the correct identification of an advantage and a disadvantage.</p> <p>Do not allow not having all the correct equipment</p> <p>Allow limited access to support if equipment breaks down.</p> <p>2x2</p>

Question		Answer	Marks	Guidance
	(ii)	<p>Many possible answers:</p> <p><b>Advantages of home working to the business</b></p> <ul style="list-style-type: none"> <li>• less space needed for offices</li> <li>• employees may be more productive with fewer distractions at home.</li> </ul> <p><i>Example</i> If people work from home then less space is needed for offices (1) which may decrease costs (1).</p> <p>Allow "IF the company pays the transport costs of its employees it will reduce the costs of the business if they work from home."</p>	2	<p>One mark for a correct identification. Plus a further one mark for an explanation.</p> <p>2x1</p>
		<b>Total</b>	<b>30</b>	
		<b>Paper Total</b>	<b>60</b>	

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