Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **February/March 2024**

1 hour 15 minutes

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

DC (SL) 332138/2

[Turn over

Section A

Answer **all** questions.

1 **(a)** Define the term *quaternary* sector. [2]

(b) Explain **one** factor of production needed for business activity. [3]

2 **(a)** Define the term *dismissal*. [2]

(b) Explain **one** impact on employees of being trade union members. [3]

3 **(a)** Define the term *trade receivables*. [2]

(b) Explain **one** reason why a business may need finance. [3]

4 Analyse **one** possible impact on a business of operating at below maximum capacity. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** limitations of sampling for a business. [8]

(b) 'Promotion is the most important element of the marketing mix for the success of a parcel delivery business.'

Evaluate this view. [12]

OR

6 **(a)** Analyse **two** barriers to an entrepreneur when starting up a business. [8]

(b) 'The most important objective of a public sector energy supplier is the environmental objective.'

Evaluate this view. [12]

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **February/March 2024**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the February/March 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **27** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

9609 Business Studies – Paper 1 Annotations

Annotation	Description	Use
✓	Tick	Indicates a point which is relevant and rewardable.
✗	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Application	Indicates where application is made to an appropriate business context.
AN	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
EVAL	Evaluation	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
TV	Too vague	Used when parts of the answer are considered to be too vague.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
REP	Repetition	Indicates where content has been repeated.
L1	Level 1	Indicates a Level 1 point is made.

Annotation	Description	Use
L2	Level 2	Indicates a Level 2 point is made.
L3	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	**Used to view PE comments on Practice Scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions.

AO1 Knowledge and understanding	Marks
Knowledge of the term that demonstrates a Clear understanding of the term.	**2**
Knowledge of the term that demonstrates a partial understanding of the term.	**1**
No creditable response.	**0**

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions.

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of **one** relevant point to a business context.
1 mark Knowledge of **one** relevant point is used to answer the question.	**1 mark** Limited application of **one** relevant point to a business context.
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *quaternary sector*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • economic activity based on the intellectual or knowledge-based economy • consists of industries providing information services, such as computing, ICT (information and communication technologies), consultancy (offering advice to businesses) and R&D (research, particularly in scientific fields) Partial understanding 1 mark • sector of production • 4th economic sector • subset of tertiary sector • ICT/R&D/computing Accept all valid responses.	2

Question	Answer	Marks
1(b)	**Explain <u>one</u> factor of production needed for business activity.** **Indicative content** Responses may include: **AO1 Knowledge and understanding –** 1 mark for identifying **one** factor of production needed for business activity. Use of any factor below as an input into the transformation process • land • labour • capital • enterprise **AO2 Application** – 2 marks for a **developed** explanation of **one** factor of production needed for business activity. 1 mark for a **limited** explanation of **one** factor of production needed for business activity. • choosing the location of the business, e.g. for shops, to build a factory, natural resources in the land such as water, oil, fields, woods. Land to fish, grow crops, drill for oil, mine • people that work in the business such as teachers, joiners, builders or doctors. Employees to work in the business, skilled and unskilled, their quality and experience • the money and equipment such as machinery or delivery trucks, used to produce the product or service • set of skills that develops new ways of doing things or new things to do. Ability to be creative and innovative, having an idea of how to use the land, labour and capital to make a profit, to create a business/product which will succeed in the market • start a business/risk taking/new ideas Accept all valid responses.	**3**

Question	Answer	Marks
2(a)	**Define the term *dismissal*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *dismissal* is worth 2 marks. • the act of removing or terminating the job or contract of employment of an employee • usually means that the termination was done by the employer and not a voluntary action by the employee • employee is dismissed for breaking contract/poor conduct Partial understanding of the term *dismissal* is worth 1 mark. • dismissal may also be referred to as termination, firing/fired or discharge • employee leaves the business (1) • an employee's job is lost/finished (1) Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> impact on employees of being trade union members.** **Indicative content** Responses may include: **AO1 Knowledge and understanding –** 1 mark K for identifying **one** impact on employees of being trade union members. • better working conditions • improved pay • job security • ensure equality • information and support • empowerment • motivation • cost **AO2 Application** – 2 marks APP for **developed** explanation of **one** impact on employees of being trade union members. 1 mark APP for **limited** explanation of **one** impact on employees of being trade union members. • improved facilities, breaks, lighting, heating, safe and secure working conditions • collective bargaining on behalf of all their members • protect workers against unfair dismissal and equality and equity in how redundancy is carried out • support for people claiming compensation for workplace injuries • provide relevant information regarding established workplace regulations and procedures • involvement in business decisions • Maslow safety and security/social needs • cost of membership/industrial action can result in lost pay Accept all valid responses.	3

Question	Answer	Marks
3(a)	**Define the term *trade receivables*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *trade receivables* is worth 2 marks. • the amount owed by a business' customers/debtors for products supplied (on credit) but not yet paid for • total amount a company has billed to a customer for goods and services (on credit) delivered but haven't yet received payment for Partial understanding of the term *trade receivables* is worth 1 mark. • money owed Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain <u>one</u> reason why a business may need finance.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** – 1 mark for identifying **one** reason why a business may need finance Reasons why a business may need finance include: • start up a business • grow/expand the business • survive • run the business • working capital • buy capital equipment **AO2 Application** – 2 marks for **developed** explanation of **one** reason why a business may need finance. 1 mark for **limited** explanation of **one** reason why a business may need finance. • start-up finance or capital, purchase assets e.g. premises, equipment, machinery, tools, vehicles • pay for market research and promotion to develop product and create demand • need more finance in the early stages before getting established or when facing a crisis • money to start trading, pay staff wages, utility bills and suppliers on time • having funds to pay for additional assets, new machinery, new staff, additional raw materials Accept all valid responses.	3

Question	Answer	Marks
4	**Analyse <u>one</u> possible impact on a business of operating at below maximum capacity.** **Indicative content** Responses may include: **AO1 Knowledge and understanding –** 1 mark K for identifying **one** impact on a business of operating at below maximum capacity Impacts of operating at below maximum capacity include: • low output • wasted resources • not competitive • adaptability • reduced costs **AO2 Application –** 2 marks APP for a **developed** application of **one** impact on a business of operating at below maximum capacity. 1 mark APP for **limited** application of **one** impact on a business of operating at below maximum capacity. • could produce more output with current resources but isn't doing so • available resources are not being used fully e.g. workers and machines idle • paying fixed costs in areas which are not being fully used	**5**

Question	Answer	Marks
4	• business is inefficient as resources not fully utilised • able to respond to unexpected increase in demand • buying less inventory **AO3 Analysis**– 2 marks for **developed** analysis of **one** impact on a business of operating at below maximum capacity. 1 mark for **limited** analysis of **one** impact on a business of operating at below maximum capacity • if demand exists the business could be earning more revenue and profit • fixed costs are spread over lower level of products so cost advantages are lost • discounts from bulk purchases may not be available so prices may need to increase • payment on fixed costs, resources not being fully used will increase the average costs of production • business will be less competitive in the market than its rivals • business could fail if high costs are not covered by sales of few outputs • take advantage of opportunities with resources which are not being used • need less storage space, might use JIT to reduce costs and waste Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse two limitations of sampling for a business.** There are 8 marks in total for 5(a) – 4 marks for each of the two limitations of sampling for a business: 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** – 1 mark K for identifying **one** limitation of sampling for a business. Limitations of sampling for a business include: • not totally reliable • difficulties in selecting a truly representative sample • sample size may be too small • chance of bias • inadequate knowledge in how to carry out sampling • time-consuming • expensive • dishonesty **AO2 Application** – 1 mark APP for application/explanation of **one** limitation of sampling for a business. • produces unreliable and inaccurate results if not representative of the whole target market • can involve biased selection of entire market when choice is not scientific	8

Question	Answer	Marks
5(a)	• biased responses due to dishonesty/ignorance/biased questions/lack of understanding by respondents • not all sampling techniques are truly random • requires adequate subject specific knowledge of sampling techniques • involves statistical analysis and calculation of probable error • complexity of selecting samples • pay researchers **AO3 Analysis** – up to 2 marks AN for analysis of **one** limitation. 2 marks for **developed** analysis of **one** limitation of sampling for a business **L2** AN or 1 mark for **limited** analysis of **one** limitation of sampling for a business **L1** AN • cannot have total confidence in results and can lead to making incorrect conclusions which affect choices made by business • there are several types of sampling methods and choosing the incorrect type will cause errors in results obtained and lead to wrong decisions being made • results from sampling need analysing correctly to apply results to the whole target market, which may involve using a marketing agency if the skills don't already exist in the business • if the sample size is too small it may save money in the short term but in the long term may be a waste of money • time taken to carry out the market research process slows decision making • opportunity cost of using the money elsewhere in the business Accept all valid responses.	

Question	Answer	Marks
5(b)	**'Promotion is the most important element of the marketing mix for the success of a parcel delivery business.'** **Evaluate this view.** 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** – 2 marks for **developed** knowledge and understanding **L2** K 1 mark for **limited** knowledge and understanding **L1** K • elements of the marketing mix • specific understanding of promotion **AO2 Application** – 2 marks for **developed** application **L2** APP 1 mark for **limited** application **L1** APP • role/activities of parcel delivery business e.g. delivering on time • named business e.g. Amazon, DHL, DPD, Parcelforce, may be a small business **AO3 Analysis** – 2 marks for **developed** analysis **L2** AN 1 mark for **limited** analysis **L1** AN • could be B2B or B2C, which affects type of promotion chosen to create more awareness of the business and more sales • could be B2B or B2C, which affects which element(s) of MM are most effective • could look at the benefits and limitations of all elements of MM which could lead to success of the business • may choose to compare those elements of the MM considered to be more applicable to this type of business e.g. price or promotion but can discuss product and place	**12**

Question	Answer	Marks
5(b)	• different types of promotion (or any element of the MM) can be carried out at different stages of the product life cycle • this is a service rather than a good therefore this could affect the choice of promotion type or element of MM • this may be an international business and size may play a role in achieving success • candidates may focus on the different types of promotion rather than other parts of the MM, which is a valid response	

AO4 Evaluation – 6 marks for EVAL

Developed/Supported judgement in context	L3 EVAL	6 marks
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks
Developed/Supported judgement without context	L2 EVAL	4 marks
Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks
Limited supported judgement	L1 EVAL	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark

A judgment/conclusion is made as to whether promotion is the most important element of the marketing mix for the success of a parcel delivery business.
These judgements/conclusions may be made at any point in the essay, not only in a concluding section.
- what would be classed as success for this type of business?
- would success be increasing number of sales, value of sales, market share?
- how important is promotion for this type of business? Would it matter whether the delivery is B2B or B2C?
- is the delivery business irrelevant to the product that is contained within the parcel?
- what is most important regarding delivery to the customer? Speed, cost, quality of service, security, protection?
- which elements of the MM can effectively be used? Candidates may find it difficult to apply all aspects of the MM but it can be done. This could be a differentiating factor in this evaluation.
- the choice of the type of promotion or element of the MM may depend on how well known the business already is and what its objectives are.

Accept all valid responses.

Question	Answer	Marks
6(a)	**Analyse <u>two</u> barriers to an entrepreneur when starting up a business.** 8 marks in total for **Q6(a)**: 4 marks for each of the two barriers to an entrepreneur when starting up a business. These 4 marks consist of: 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** – 1 mark for identifying **one** barrier K • identifying business opportunities • obtaining finance • finding a location • competition • building a customer base **AO2 Application** – 1 mark for application of **one** barrier APP • could be based own hobbies, previous experience, ability to carry out market research, franchise opportunity • may have insufficient savings, not aware of sources of finance available, not trading records to present to a bank, poor business plan • working from home could be easiest but premises may be needed for some businesses • difficult to enter a market with established competitors • need to stand out to attract consumers	**8**

Question	Answer	Marks
6(a)	**AO3 Analysis –** up to 2 marks for analysis of each barrier. 2 marks for **developed** analysis of each barrier **L2** 1 mark for **limited** analysis of each barrier **L1** • can be easy to start a business on a small scale using own knowledge but the demand for the product may be limited and therefore it can be difficult to earn enough to survive • finance is more difficult to obtain for an entrepreneur than it is for an established business. It is important to have the finance to start the business, perhaps using less traditional sources such as crowd funding or micro finance • whether the entrepreneur can work from home depends on the type of business. A service business such as website designer or having no need to communicate with customers face-to-face e.g. e-commerce can easily be carried out at home and can be cheaper, although there is no separation between work and private life or tensions might arise between other members of the household. Other businesses must have premises with the appropriate equipment such as a hairdresser or retail store • need a product that is unique to enter a new market as established competitors have cost advantages, loyal customers, greater reputation and more money to spend on promotion. • the entrepreneur could provide more personal customer service, knowledgeable pre- and after-sales service, personalised products. Accept all valid responses.	

Question	Answer	Marks
6(b)	**‘The most important objective of a public sector energy supplier is the environmental objective.’** **Evaluate this view.** 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding –** 2 marks for **developed** knowledge and understanding **L2** K 1 mark for **limited** knowledge and understanding **L1** K • objectives • public sector • environmental objective **AO2 Application –** 2 marks for **developed** application **L2** APP 1 mark for **limited** application **L1** APP • energy supplier • utility e.g. gas, electricity, oil, solar energy, wind power • pollution e.g. air, noise, chemical **AO3 Analysis –** 2 marks for **developed** analysis **L2** AN 1 mark for **limited** analysis **L1** AN • objectives may vary in the public sector. Usually equitable provision of merit goods/services • objectives of a public sector business are unlikely to be driven by competition or profit so prices can be kept lower • there is opportunity cost of spending money on each area of provision e.g. education, defence, healthcare • energy supply is important in all countries and to businesses and consumers, so demand is high • a public sector business is funded by the government and is likely to have a national supply network, making it easier to meet the high demand	12

Question	Answer	Marks
6(b)	• there is the potential for exploitation of the environment e.g. China and coal • public sector may have to meet national/international objectives regarding pollution, renewable fuels, sustainability • the government has many demands on its funding and therefore the service given by a public sector energy supplier could be less efficient e.g. power cuts **AO4 Evaluation –** 6 marks for EVAL	

Developed/Supported judgement in context	L3 EVAL	6 marks
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks
Developed/Supported judgement without context	L2 EVAL	4 marks
Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks
Limited supported judgement	L1 EVAL	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark

A judgment/conclusion is made as to whether the most important objective of a public sector energy supplier is the environmental objective.
These judgements/conclusions may be made at any point in the essay, not only in a concluding section.

- there are different sources of energy e.g. some countries are fossil fuel dependent whilst others have the ability to develop new methods e.g. wind, water, solar
- how wealthy is the country to develop these sources using the public sector?
- does the public sector see energy supply as its most important priority?
- is the private sector more likely to thrive where customers are influenced by environmental aspects rather than cost of energy?
- how easy is it for the public sector to provide an energy supply at an affordable price e.g. if price of fuel rises, will the government have to subsidise the cost to the consumer to maintain standard of living?
- should the most important objective be providing energy to all parts of the country regardless of the opportunity cost?

Accept all valid responses.

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

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BUSINESS **9609/11**

Paper 1 Business Concepts 1 **May/June 2024**

1 hour 15 minutes

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
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- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

1 **(a)** Define the term *outsourcing*. [2]

(b) Explain **one** purpose of JIC (Just in Case) inventory management. [3]

2 **(a)** Define the term *salary*. [2]

(b) Explain **one** impact on a business of training its employees. [3]

3 **(a)** Define the term *industrial marketing*. [2]

(b) Explain **one** implication to a business of market growth. [3]

4 Analyse **one** impact on the workforce of effective communication of business objectives. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** limitations of using the number of employees to measure the size of a business. [8]

(b) Evaluate whether small retail businesses have an important role in the economy. [12]

OR

6 **(a)** Analyse **two** factors which may influence a business's choice of sources of finance. [8]

(b) Evaluate whether setting budgets is important to the success of a farming business. [12]

Cambridge International Education

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BUSINESS **9609/11**

Paper 1 Business Concepts 1 **May/June 2024**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre–U components, and some Cambridge O Level components.

This document consists of **29** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science–Specific Marking Principles
(for point–based marking)

1 Components using point–based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list–type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self–contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

9609 Business Studies – Paper 1 Annotations

Annotation	Description	Use
✓	Tick	Indicates a point which is relevant and rewardable.
✗	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Application	Indicates where application is made to an appropriate business context.
AN	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
EVAL	Evaluation	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
TV	Too vague	Used when parts of the answer are considered to be too vague.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
REP	Repetition	Indicates where content has been repeated.
L1	Level 1	Indicates a Level 1 point is made.

Annotation	Description	Use
L2	Level 2	Indicates a Level 2 point is made.
L3	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	**Used to view PE comments on Practice Scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels–based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best–fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

<u>Used for Q1(a), Q2(a) and Q3(a)</u>

Two marks in total can be awarded for these questions. Ticks (✔) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**
Knowledge of the term that demonstrates a clear understanding of the term.	**2**
Knowledge of the term that demonstrates a partial understanding of the term.	**1**
No creditable response.	**0**

<u>Used for Q1(b), Q2(b) and Q3(b)</u>

Three marks in total can be awarded for these questions. Ticks (✔) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context.
1 mark Knowledge of **one** relevant point is used to answer the question.	**1 mark** Limited application of **one** relevant point to a business context.
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *outsourcing*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • when a business uses another business to carry out some of its activities Partial understanding 1 mark • the use by a business of another organisation Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> purpose of JIC (Just in Case) inventory management.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** purpose of JIC • inventory management method that holds excess inventory (buffer stock) • so that a business always has inventory when required. • never runs out of inventory • can meet any increase in customer demand (spike) • can respond to supply delays/interruptions. **AO2 Application** 2 marks for a **developed** application/explanation of **one** purpose of JIC 1 mark for a **limited** application/explanation of **one** purpose of JIC • Extra inventory is available in case there are any problems with supply or a spike in demand • The business can continue to produce until the next delivery is received • There will be no delay in meeting the demands of customers • If demand increases unexpectedly, there is enough inventory to increase supply until the next delivery of inventory Accept all valid responses.	**3**

Question	Answer	Marks
2(a)	**Define the term *salary*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • an amount of income paid to an employee/annual/over a set period/ often on a monthly basis(2) Partial understanding 1 mark • money paid to an employee Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> impact on a business of training its employees.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying ONE impact on a business of training its employees • improves employee performance/efficiency/flexibility • improves employee morale and productivity • business develops the right workforce • business gains good reputation • lower labour turnover • costs money and time • trained employees may leave • can disrupt work while training takes place • puts extra pressure on managers as they do the work of those being trained	**3**
2(b)	**AO2 Application** 2 marks for **developed** explanation of **one** impact on a business of training its employees 1 mark for **limited** explanation of **one** impact on a business of training its employees • new skills and knowledge improve the competitive position of the business • employees are loyal, stay with the business and produce more and better products • training is a method of motivation • trained workforce will help to achieve objectives • business will find it easier to retain and recruit employees due to respected reputation • resources used in training could be used elsewhere in the business • business risks spending resources training employees who then leave taking skills with them • work stops when employees receive training • managers have to take Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term *industrial marketing.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • promoting/selling/marketing goods and services to other business's rather than to individual customers (B2B) Partial understanding 1 mark • marketing to other industries Accept all valid responses.	**2**
3(b)	**Explain <u>one</u> implication to a business of market growth.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** implication to a business of market growth • more potential customers for the business • more potential sales for the business • more competitors in the market • production process may need to change • may need to take on more employees • may need to invest more in machines • may need to change suppliers • may experience economies/diseconomies of scale	**3**

Question	Answer	Marks
3(b)	**AO2 Application** 2 marks for **developed** explanation of **one** implication to a business of market growth 1 mark for **limited** explanation of **one** implication to a business of market growth • more demand from new customers to the market • a business can gain more sales revenue without its market share changing • may attract other competitors which see the same opportunity • may affect the type of pricing and promotion needed if new customers or locations are involved • recruitment and selection of additional employees becomes necessary • more capital investment to provide more machines • production costs fall/rise as levels of output increase Accept all valid responses.	

Question	Answer	Marks
4	**Analyse <u>one</u> impact on the workforce of effective communication of business objectives.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** impact on the workforce of effective communication of business objectives • employees now know what they are doing and why • employees feel more involved • employees are more confident at work • knowing the objectives can be very motivating • business sections/departments work better together – more team working. **AO2 Application** 2 marks for a **developed** application of **one** impact on the workforce of effective communication of business objectives 1 mark for **limited** application of **one** impact on the workforce of effective communication of business objectives • sets workers a target, so they have something to aim for • employees now better understand their roles • objectives are turned into individual targets • employees given a sense of direction	**5**

Question	Answer	Marks
4	**AO3 Analysis** 2 marks for **developed** analysis of **one** impact on the workforce of effective communication of business objectives 1 mark for **limited** analysis of **one** impact on the workforce of effective communication of business objectives • communication of objectives throughout the organisation helps to ensure everyone is working towards the same aim • if employees feel that the objectives are realistic, they are more likely to be committed to achieving them, motivated • if employees are not aware of the objectives, they cannot work towards them and the business will not achieve them • if a target is forced on an employee or they do not agree with it, they may not try to achieve it or may leave the business • if employees are aware of a target they can be reviewed and rewarded for achieving it e.g. with promotion Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> limitations of using the number of employees to measure the size of a business.** There are 8 marks in total for Q5(a) – 4 marks for each of the two limitations of sampling for a business: 1 mark for 1 mark for 2 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** limitation of using the number of employees to measure the size of a business • there are many ways to measure the size of a business and most are more reliable than using the number of employees • business that relies on machines rather than people will be undervalued–fails to take account of capital investment • does not take account of the assets of a business • does not take account of the cash flow of a business • no reference to revenue, output, sales, profit • workers can be full time or part time • workers can be outsourced • workers can be multi-skilled so fewer needed	**8**

Question	Answer	Marks
5(a)	**AO2 Application** 1 mark for application/explanation of **one** limitation of using the number of employees to measure the size of a business • Large business may have more employees than a small business – a franchise vs a local shop • large capital intensive business may have few employees – car production done by robots • Large IT/internet businesses often have few employees • Small business may have many employees – labour intensive clothing production factory **AO3 Analysis** 2 marks for **developed** analysis of **one** limitation of using the number of employees to measure the size of a business **L2** 1 mark for **limited** analysis of **one** limitation of using the number of employees to measure the size of a business **L1** • number of employees can be misleading depending on whether business is labour or capital intensive • one measure used on its own can give a misleading measurement of size • number of employees may be less important than other measures such as market share, turnover Accept all valid responses.	

Question	Answer	Marks
5(b)	**Evaluate whether small retail businesses have an important role in the economy.** There are 12 marks for Q5(b): 2 marks for 2 marks for 2 marks for 6 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** 1 mark for **limited** knowledge **L1** • small retail business likely to be local • small retail businesses buy from producers and sell to customers • provide job opportunities • stimulate income through trade • compete with and support larger businesses • small retail business trade leads to tax revenues	**12**

Question	Answer	Marks
5(b)	**AO2 Application** 2 marks for **developed** application **L2** 1 mark for **limited** application **L1** • retailers buy goods and sell them to customers on a small scale–tertiary sector • examples of small retail businesses e.g. local shop, convenience store, family business selling food items/clothes/flowers • names of small retailers e.g. Walmart supermarkets, 7UP stores, BATA shoe stores • serve local consumers and niche products/markets **AO3 Analysis** 2 marks for **developed** analysis **L2** 1 mark for **limited** analysis **L1** • job creation in small villages and towns – increase standards of living • small business numbers may be high, but people employed may be low so limited effect on unemployment • sole traders/family businesses are common type of small business • majority of businesses in many countries are small but play a significant economic role • stimulate local and national economy – government collect taxes from small retailers and their customers • provide greater choice to consumers with niche products/innovative ideas • large businesses tend to sell many products which are standardised, so consumer choice is limited • niche products often important to small businesses and communities e.g. wedding dresses and cakes • increase competitiveness in economy as alternative to large businesses • small businesses can grow into large businesses • growth potential for small business may be high which promotes economic growth • many small businesses sell products to large businesses so help economy to develop production and trade • retailers often demonstrate strong entrepreneurial skills	

Question	Answer	Marks
5(b)	**AO4 Evaluation** 6 marks for evaluation **Developed/Supported judgement in context** — L3 — **6 marks** **Developed/Reasonable evaluative comments in context** — L3 — **5 marks** **Developed/Supported judgement without context** — L2 — **4 marks** **Developed/Reasonable evaluative comments without context** — L2 — **3 marks** **Limited supported judgement** — L1 — **2 marks** **An attempt to balance the arguments/Weak attempt at evaluative comments** — L1 — **1 mark** *A judgement/conclusion is made as to whether small retail businesses have an important role in the economy. These judgements/conclusions may be made at any point in an essay, not only in a concluding section.* • Importance of small business may depend on what the retailer is selling. Personalised services – lawyers, photographers and hairdressers are more likely to be small and the employees are skilled. • importance of different types of business may depend on what the consumers in a market want. If they are prepared to pay high prices for unique items then small, niche retailers may be very important. • Where cheap and standardised products are what consumers demand large businesses may be more important. • Quality in particular is more likely to be higher in small retailers e.g. customer service, as they differentiate themselves from large retailers in this way, making their contribution to niche markets higher than large businesses • Small businesses may need more support e.g. government grants and therefore their importance in the economy may depend on their importance to the government • Small business in the primary or secondary sector may be more important to the economy of some countries than small retail businesses • Large business more likely to be well known, branded and have high promotion so their contribution to the economy in terms of employment and taxation revenue may be higher Accept all valid responses.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td>Analyse <u>two</u> factors which may influence a business' choice of sources of finance.

There are 8 marks in total for Q6(a) – 4 marks for each of the two factors which may influence a business' choice of sources of finance.

These 4 marks consist of :
1 mark for
1 mark for
2 marks for

Indicative content

Responses may include:

AO1 Knowledge and understanding
1 mark for identifying one factor which may influence a business' choice of sources of finance

• reason for needing finance
• short term or long term
• availability of finance
• cost of the finance
• reputation of business
• past trading record
• amount of finance needed
• amount of control willing to accept
• cash flow and ability to pay back
• relationship with financial institutions</td><td>8</td></tr>
</table>

Question	Answer	Marks
6(a)	**AO2 Application** 1 mark for application/explanation of **one** factor which may influence a business' choice of sources of finance • Start-up finance, expansion, product development – why is it needed? • suitable source of finance to suit the business needs e.g. owner's savings, crowdfunding, overdraft, trade credit, loan, share capital, retained earnings • relationship with potential providers **AO3 Analysis** 2 marks for **developed** analysis of **one** factor **L2** 1 mark for **limited** analysis of **one** factor **L1** • start–up business with no established record or reputation may have to rely on owner's savings or crowdfunding as not attractive to other investors • small established business wanting to grow may take on more partners/owners but limit this to keep control with original owner • finance such as overdraft or trade credit will give short term boost to working capital to cover temporary problems • business with trading record may gain a loan from the bank to pay back long term with interest • limited company may sell more shares to raise larger amount of finance but will further dilute ownership of existing owners • profitable business may have retained earnings to use without diluting ownership further or borrowing money Accept all valid responses.	

Question	Answer	Marks
6(b)	**Evaluate whether setting budgets is important to the success of a farming business.** There are 12 marks for 6(b): 2 marks for 2 marks for 2 marks for 6 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** 1 mark for **limited** knowledge **L1** • budgets – role and purpose • variance from the budget • business factors which may be important to success **AO2 Application** 2 marks for **developed** application **L2** 1 mark for **limited** application **L1** • farming items – arable, crops, fruit, livestock, cattle, dairy, sheep, chicken , fertiliser, farm machinery	**12**

Question	Answer	Marks
6(b)	**AO3 Analysis** 2 marks for **developed** analysis **L2** 1 mark for **limited** analysis **L1** • budgets encourage forward thinking/planning so can plan for future financial needs • provide discipline and a framework for planning and control • many farmers unlikely to have financial knowledge of setting budgets but are still successful due to experience • farming businesses may set budgets, but this may be informal as part of their normal seasonal planning • a farm may operate for survival and consider budgeting irrelevant e.g. small, subsistence farm • profit driven farm may see budgets as essential for achieving profit • external conditions are often unpredictable in farming making budgeting difficult • even if variances are monitored, natural conditions may make changes to budget impossible/difficult • may give stakeholders of large commercial farms the profit they judge success by **AO4 Evaluation** 6 marks for evaluation	

Developed/Supported judgement in context	**L3**	6 marks
Developed/Reasonable evaluative comments in context	**L3**	5 marks
Developed/Supported judgement without context	**L2**	4 marks
Developed/Reasonable evaluative comments without context	**L2**	3 marks
Limited supported judgement	**L1**	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	**L1**	1 mark

Question	Answer	Marks
6(b)	*A judgement/conclusion is given as to the importance of budgets for the success of a farming business* *These judgements/conclusions may be given at any point in an essay, not just in a concluding section.* • effectiveness of budget may only be seen at the end of the trading period, which can be a long time in some types of farming • how is success measured – survival/security for family members/better quality of produce/increased number of customers/increased revenue gained/amount of profit/ability to compete in the market and gain market share/expansion of the business/ improved reputation? • it is meaningless to set budgets if the information included in them is badly researched or recorded. Does the business have suitable employees and experience to produce budgets correctly? • Is the success of a farming business, especially a small one, more dependent on the experience of farming rather than knowledge of finance and budgeting? Accept all valid responses.	

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **May/June 2024**

1 hour 15 minutes

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  Section A: answer **all** questions.
  Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

1 **(a)** Define the term *takeover*. [2]

(b) Explain **one** disadvantage to a business of external growth. [3]

2 **(a)** Define the term *job description*. [2]

(b) Explain **one** benefit to a business of internal recruitment. [3]

3 **(a)** Define the term *job production*. [2]

(b) Explain **one** benefit to a business of capital intensive operations. [3]

4 Analyse **one** reason why product differentiation may be important to a business. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** limitations to a business of using contribution costing. [8]

(b) Evaluate whether working capital is the most important source of finance for a start-up furniture manufacturer. [12]

OR

6 **(a)** Analyse **two** benefits to a business of low labour turnover. [8]

(b) 'Work-life balance is the most important human resource management (HRM) factor for employee welfare in a local bus service.'

Evaluate this view. [12]

Cambridge International AS & A Level

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Paper 1 Business Concepts 1 **May/June 2024**

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- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

9609 Business Studies – Paper 1 Annotations

Annotation	Description	Use
✓	Tick	Indicates a point which is relevant and rewardable.
✗	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Application	Indicates where application is made to an appropriate business context.
AN	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
EVAL	Evaluation	Indicates where the answer has demonstrated evaluation - (Section B Part (b) questions only).
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
TV	Too vague	Used when parts of the answer are considered to be too vague.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
REP	Repetition	Indicates where content has been repeated.
L1	Level 1	Indicates a Level 1 point is made.

Annotation	Description	Use
L2	Level 2	Indicates a Level 2 point is made.
L3	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	**Used to view PE comments on Practice Scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.
AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.
AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✔) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks
Knowledge of the term that demonstrates a clear understanding of the term.	**2**
Knowledge of the term that demonstrates a partial understanding of the term.	**1**
No creditable response.	**0**

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✔) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context.
1 mark Knowledge of **one** relevant point is used to answer the question.	**1 mark** Limited application of **one** relevant point to a business context.
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *takeover*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • A takeover is when one business/investor buys / acquires / controls / absorbs / integrates another business, often by buying a majority stake in the target company. Partial understanding 1 mark • Purchasing a business Accept all valid responses.	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)</td><td>Explain <u>one</u> disadvantage to a business of external growth.

Indicative content

Responses may include:

AO1 Knowledge and understanding
1 mark for identifying one disadvantage to a business of external growth

• May require considerable additional expenditure
• May lead to increased debt
• May cause problems for existing management
• Might lead to loss of control of core business
• Disruptive to original business – culture clash
• Growth may be too rapid – diseconomies of scale
• May be more regulations/different management culture in a different market

AO2 Application
2 marks for developed application/explanation of one disadvantage to a business of external growth
1 mark for limited application/explanation of one disadvantage to a business of external growth

• Can be very expensive to take over another business – which could raise business costs.
• Managers may lack the experience to deal with a different business – which could lead to poor decision making and inefficiency.
• Can lead to loss of control of the business – especially if it is a hostile takeover.
• Can lead to culture clashes – whereby employees may find it difficult to adapt and leave.
• Different management styles may be incompatible – which can make decision making difficult.
• May need to adapt different marketing strategies – which can be very expensive.
• Can lead to an increase in long-term debt – which can lead to a higher gearing ratio.
• Can lead to regulatory problems – whereby the government may prevent a merger or takeover from happening.

Accept all valid responses.</td><td>3</td></tr>
</table>

Question	Answer	Marks
2(a)	**Define the term *job description*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • A document/list/explanation/statement/indication setting out the tasks/duties/features/role/responsibilities/requirements of a job **NOT the qualifications/skills/attributes of a person doing a job.** Partial understanding 1 mark • What the job involves/requires Accept all valid responses.	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(b)</td><td>Explain ONE benefit to a business of internal recruitment.

Indicative content

Responses may include:

AO1 Knowledge and understanding
1 mark for identifying one benefit to a business of internal recruitment

• Applicants well known to the business / know how the business operates
• Applicants already integrated into working culture
• Internal recruitment takes less time / more efficient
• Internal recruitment likely cheaper than external recruitment
• Acts as an incentive to employees in a business / increases motivation
• May mean less disruption to existing employees

AO2 Application
2 marks for developed explanation of one benefit to a business of internal recruitment
1 mark for limited explanation of one benefit to a business of internal recruitment

• Applicants may already be known to the selection team – so they know they would be able to do the job, therefore reduced risk.
• Culture of the organisation would already be well understood by the applicants – so they know what is expected of them – reduced need for induction training or time to adjust.
• It is often quicker than external recruitment/advertising – so the business does not have to wait excessively long for the candidate to start contributing.
• Likely to be cheaper than using recruitment agencies – therefore saving costs
• Gives internal staff a career structure and a chance to progress – which might reduce labour turnover.
• Reduces the likelihood that staff will have to adapt to the new recruit's style of management – as they are already familiar with the person.

Accept all valid responses.</td><td>3</td></tr>
</table>

Question	Answer	Marks
3(a)	**Define the term *job production*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • The production process where a one-off/unique/bespoke product is made/for a customer/product completed before the next one is started Partial understanding 1 mark • Where only one item is produced Accept all valid responses.	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(b)</td><td>
Explain ONE benefit to a business of capital intensive operations.
Indicative content
Responses may include:
AO1 Knowledge and understanding – 1 mark for identifying one benefit to a business of capital intensive operations

May well lead to economies of scale
Machines may well guarantee greater conformity of quality
Machines more efficient than labour
Production costs reduced
Reduces need for labour resource
Increases output/productivity

AO2 Application
2 marks for developed application/explanation of one benefit to a business of capital intensive operations
1 mark for limited application/explanation of one benefit to a business of capital intensive operations

Substantial opportunities for scale economies – therefore unit cost reductions
Quality can be standardised so products are the same every time – which reduces human errors and customer complaints
Machines can work continuously 24/7 – therefore increased output enabling large orders to be met
Less employees are needed – therefore reduced labour/wage costs
Higher productivity – more effective utilisation of resources

Accept all valid responses.
</td><td>3</td></tr>
</table>

Question	Answer	Marks
4	**Analyse <u>one</u> reason why product differentiation may be important to a business.** *Note: no marks can be awarded if a relevant reason why product differentiation may be important to a business has not been identified* **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** reason why product differentiation may be important to a business • May give a product a USP/distinctive/unique feature • May increase customer demand for the product • May lead to an increase in market share • May strengthen the brand • Target niche market • Allows premium prices to be set • Increases morale/motivation of employees	**5**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4</td><td>AO2 Application
2 marks for a developed application of one reason why product differentiation may be important to a business
1 mark for limited application of one reason why product differentiation may be important to a business

• Increased competitiveness
• A product is made distinctive so it stands out from competitors’ products
• Assumes a USP in the eyes of consumers
• Consumers now prefer to buy this product
• Higher sales and possibly increased share of market
• Stronger brand image and loyalty
• A distinctive USP supports premium prices
• Product success/increased employee motivation

AO3 Analysis
2 marks for developed analysis of one reason why product differentiation may be important to a business
1 mark for limited analysis of one reason why product differentiation may be important to a business

• Builds brand loyalty due to perceived differentiation from alternative brands – which leads to repeat customers
• Enables premium price to be charged – which can result in increased profit margins.
• Increased competitiveness – lead to higher sales and increased market share.
• Attract investment from shareholders – which increases market value of business.
• Enables businesses to compete in areas other than price – such as quality or taste which broadens potential areas for success
• Customers perceive there to be no substitute for the product – enabling business to gain a market advantage via USP

Accept all valid responses.</td><td></td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>

Analyse <u>two</u> limitations to a business of using contribution costing.

There are 8 marks in total for Q5(a) – 4 marks for each of the two limitations to a business of using contribution costing:

1 mark for
1 mark for
2 marks for

Indicative content

Responses may include:

AO1 Knowledge and understanding
1 mark for identifying **one** limitation to a business of using contribution costing

- It allocates only direct costs to cost/profit centres
- Overhead costs not apportioned at all
- May provide a misleading picture of profitability
- It overlooks the impact of fixed costs
- Not acceptable for external financial reporting
- Difficult to allocate costs accurately across a full product range
- Not an appropriate method for price determination
- Unsuitable for capital intensive operations/multi-product operations

</td><td>8</td></tr>
</table>

Question	Answer	Marks
5(a)	**AO2 Application** 1 mark for application of **one** limitation to a business of using contribution costing • Difficult to analyse as not all costs can be easily split into fixed and variable costs. • Poor method for setting prices – as prices are based on contribution which does not cover fixed costs. • It violates the principle of matching costs with revenues • Has limited scope – so businesses with high automation have high levels of fixed costs, so not suitable to capital intensive industries. • Can lead to unrealistic financial statements – as exclusion of fixed overheads in valuation of stock. • Firms might find it difficult to cover all costs and earn a fair return on capital employed **AO3 Analysis** 2 marks for **developed** analysis of **one** limitation to a business of using contribution costing **L2** 1 mark for **limited** analysis of using contribution costing **L1** • Not acceptable for stock valuation – if stock is undervalued it could lead to government investigation/fines – affect business image • Unrealistic financial statements – could lead to investors withdrawing from the business or government fines. • Under-pricing of products – which leads to poor return on capital employed and low profits – shareholder dissatisfaction • Costs can be difficult to allocate – which leads to inaccurate pricing decisions – lose customer loyalty • Can lead managers to maintain the production of goods just because of positive contribution – perhaps a brand new product should be launched instead which makes a greater contribution. • If lower prices are offered to gain customers as contribution can still be earned – may lead to existing customers demanding lower prices – lower profits. • If high prices are a key feature that has established brand – then lowering prices could destroy brand image. Accept all valid responses.	

Question	Answer	Marks
5(b)	**Evaluate whether working capital is the most important source of finance for a start-up furniture manufacturer.** There are 12 marks for Q5(b): 2 marks for 2 marks for 2 marks for 6 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** 1 mark for **limited** knowledge **L1** • Working capital is the capital needed to pay for raw materials, day-to-day running costs and credit offered to customers. • Working capital = current assets less current liabilities. • Source of finance – internal (retained profits, reduce working capital, sale of assets) – external (overdrafts, trade credit, factoring, HP, leasing, loans, equity finance, share, debentures, venture capital) • A start up business is a company in the first stages of operations, often being financed by its entrepreneurial founders during the initial starting period. **AO2 Application** 2 marks for **developed** application **L2** 1 mark for **limited** application **L1** • Needs finance to pay suppliers of wood, tools. • Need finance to hire craft persons /machines to make furniture • Needs finance for rent to hire premises/ warehouses to store furniture pending sale to retailers	**12**

Question	Answer	Marks
5(b)	**AO3 Analysis** 2 marks for **developed** analysis **L2** 1 mark for **limited** analysis **L1** • If wages cannot be paid due to low working capital could lead to employees leaving the business – thus a high labour turnover • If unable to meet a customer order due to poor working capital – business may lose important customers. • Insufficient working capital to pay suppliers – could lead to loss of trade terms – or supplier refusing to do business with them altogether. • If don't have enough working capital to purchase materials – may not be able to produce enough goods to satisfy demand – lose sales • Adequate working capital enables materials to be bought in advance of busy periods – such as the lead up to Christmas – so don't miss out on high sales. • Inadequate working capital may prevent the business from raising additional funds – so will limit or prevent further growth. • Might be possible to arrange an overdraft – though may only be limited initially – high interest and potential charges. • As a new starter will not have traded long enough to have retained profits – so would not have "free" source of finance • May not have built up trade relationships – so not trustworthy enough yet to get credit • HP and leasing would allow the business to obtain assets without a large initial cash payment – thus reducing cash outflow • Venture capital might be an option – but may have to give up a share of the business – as well as a percentage of future profits	

Question	Answer	Marks
5(b)	**AO4 Evaluation –** 6 marks for evaluation EVAL	

Developed/Supported judgement in context	L3 EVAL	**6 marks**
Developed/Reasonable evaluative comments in context	L3 EVAL	**5 marks**
Developed/Supported judgement without context	L2 EVAL	**4 marks**
Developed/Reasonable evaluative comments without context	L2 EVAL	**3 marks**
Limited supported judgement	L1 EVAL	**2 marks**
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	**1 mark**

Question	Answer	Marks
5(b)	*A judgement/conclusion is made as to whether working capital is the most important source of finance for a start-up furniture manufacturer.* *These judgements/conclusions may be made at any point in the essay, not only in a concluding section.* • A conclusion about what the new furniture manufacturer hopes to achieve in the long and short term and how much finance may be required • A conclusion as to what the business hopes to achieve once established and what elements of its working capital need improving. • A judgement that a new business will find it harder to raise finance than a well-established business – so it's imperative to effectively manage working capital. • A conclusion that working capital is only one source of finance and is unlikely to be sufficient for a start-up furniture manufacturer. However, other options may not be available due to lack of credit history or length of time that the business has been operating Accept all valid responses.	

Question	Answer	Marks
6(a)	**Analyse <u>two</u> benefits to a business of low labour turnover.** There are 8 marks in total for Q6(a) – 4 marks for each of the two benefits to a business of low labour turnover. These 4 marks consist of : 1 mark for 1 mark for 2 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** benefit to a business of low labour turnover • Lowers cost of recruiting new staff. • Less employee training required • Staff loyalty and morale likely to be high • Less risk of work building up with gaps when staff leave • Consistency of production • Production quality maintained • Customer contact retained • Reputation of business high	**8**

Question	Answer	Marks
6(a)	**AO2 Application** 1 mark for application of **one** benefit to a business of low labour turnover • Less people leave the business, low replacement costs • Fewer employees require induction or other training • Staff content to stay in business • Sufficient numbers of staff maintained • Experienced workers remain in the business • Product quality maintained • Customers relate to known staff **AO3 Analysis** 2 marks for **developed** analysis of **one** benefit to a business of low labour turnover **L2** 1 mark for **limited** analysis of **one** benefit to a business of low labour turnover **L1** • Lower recruitment and training costs – means more money to reinvest in other areas of the business. • Consistent customer relationships – means less chance of losing customers – maintain or even increase sales. • Consistent quality of products and services – less errors – less waste/complaints – decreased costs /improved image • Low turnover might make business attractive when business does need to recruit – attract better quality workers. • Better morale and team spirit – can lead to higher productivity • Less risk of being short staffed – so build reputation with customers for meeting orders • Knowledge and skills kept within the business – can increase goodwill and value of the business – if it were to be sold. Accept all valid responses.	

Question	Answer	Marks
6(b)	**'Work-life balance is the most important human resource management (HRM) factor for employee welfare in a local bus service.'** **Evaluate this view.** There are 12 marks for **6(b)**: 2 marks for 2 marks for 2 marks for 6 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** 1 mark for **limited** knowledge **L1** • Work-life balance is about creating and maintaining supportive and healthy work environments that enable employees to have balance between work and other aspects of life – family, friends, community, personal growth. • Employee welfare is overseen by HRM departments who may offer counselling and other services to staff who are in need of support, perhaps because of family or financial problems. • HRM is the strategic approach to the effective management of organisations workers so that they help the business gain a competitive advantage.	**12**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(b)</td><td>AO2 Application
2 marks for developed application L2
1 mark for limited application L1

• Bus drivers and conductors have stressful jobs
• Bus drivers are required to drive safely
• They need to be alert and not over tired
• Bus drivers and conductors are close to passengers
• They need to be work regularly to guarantee a bus timetable

AO3 Analysis
2 marks for developed analysis L2
1 mark for limited analysis L1

• WLB could lead to bus drivers feeling more optimistic about responsibilities – better able to meet timetable targets
• Potentially lower labour turnover and absenteeism reduced if staff feel they have a good WLB
• Bus drivers might have more energy and be less tired with good WLB – leading to better customer experience
• Stressed and overworked bus staff may be rude or not deal very well with angry passengers – which might lead to customer complaints and demotivated/demoralised drivers
• WLB could reduce negative effects of work-life conflict – such as health risks – smoking, drinking, weight gain, depression – on employees – business will build good image for business as a caring employer – leading to healthier drivers
• Strengthen employee loyalty and productivity – which means buses might run on time – increase reputation and esteem for drivers
• Duty of care to employees – means it will reduce likelihood of paying compensation to employees/customers if accidents occur to elderly passengers due to speeding drivers.</td><td></td></tr>
</table>

Question	Answer	Marks
6(b)	**AO4 Evaluation** 6 marks for Evaluation **Developed/Supported judgement in context** — L3 — **6 marks** **Developed/Reasonable evaluative comments in context** — L3 — **5 marks** **Developed/Supported judgement without context** — L2 — **4 marks** **Developed/Reasonable evaluative comments without context** — L2 — **3 marks** **Limited supported judgement** — L1 — **2 marks** **An attempt to balance the arguments/Weak attempt at evaluative comments** — L1 — **1 mark** *A judgement/decision as to whether WLB is the most important HRM factor for employee welfare in a local bus service. These judgements/decisions may be made at any point in an essay, not just in the concluding section of an essay.* • A judgement is made as to the importance of HR concern for WLB for the welfare of those working for a local bus service. • How might WLB be an important HRM factor for employee welfare? – improve performance, improve morale of staff, prevent over tiredness, signal concern for and confidence in staff • Might other HRM factors be equally/more important than WLB fir welfare of bus service staff such as training, shorter work hours, more pay, or better quality management/supervision, better canteen facilities, better holiday entitlements? Accept all valid responses.	

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Business Concepts 1 **May/June 2024**

1 hour 15 minutes

1125926391

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS
- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION
- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

1 **(a)** Define the term *direct cost*. [2]

(b) Explain **one** method of improving cash flow for a business. [3]

2 **(a)** Define the term *added value*. [2]

(b) Explain **one** quality an entrepreneur needs for success. [3]

3 **(a)** Define the term *primary research*. [2]

(b) Explain **one** limitation to a business of using sampling. [3]

4 Analyse **one** possible impact on a business of operating over maximum capacity. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** benefits to the workforce of McGregor's Theory X management. [8]

(b) Evaluate whether cooperation between management and the workforce is the most important factor in the success of a car manufacturer. [12]

OR

6 **(a)** Analyse **two** benefits to a business of improving the sustainability of its operations. [8]

(b) 'Supply Chain Management is the most important operations factor for the success of a large internet retailer.'

Evaluate this view. [12]

Cambridge International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Business Concepts 1 **May/June 2024**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **34** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

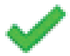
3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

9609 Business Studies – Paper 1 Annotations

Annotation	Description	Use
	Tick	Indicates a point which is relevant and rewardable.
	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Application	Indicates where application is made to an appropriate business context.
AN	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
EVAL	Evaluation	Indicates where the answer has demonstrated evaluation - (Section B Part (b) questions only).
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
TV	Too vague	Used when parts of the answer are considered to be too vague.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
REP	Repetition	Indicates where content has been repeated.
L1	Level 1	Indicates a Level 1 point is made.

Annotation	Description	Use
L2	Level 2	Indicates a Level 2 point is made.
L3	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	**Used to view PE comments on Practice Scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts

AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✔) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**
Knowledge of the term that demonstrates a clear understanding of the term.	**2**
Knowledge of the term that demonstrates a partial understanding of the term.	**1**
No creditable response.	**0**

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✔) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context.
1 mark Knowledge of **one** relevant point is used to answer the question.	**1 mark** Limited application of **one** relevant point to a business context.
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *direct cost*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • Costs that can be clearly identified/connected/directly linked with each unit of production and can be allocated to a cost centre. Partial understanding 1 mark • Expenses related to a product or service • Related to producing a good • Cost directly related to a cost centre Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> method of improving cash flow for a business.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** method of improving cash flow for a business • Overdraft • Short-term loan, sale of assets • Sale and leaseback • Reduce customer credit terms / discounts for early payment • Debt factoring • Increase cash inflow • Decrease cash outflows – delay payments to suppliers (creditors)/obtain discounts • Delay spending on capital equipment • Use leasing, cut overheads • Produce a cash flow forecast Also accept long-term solutions: • More motivated staff • Increased revenue • Increased productivity • Improved inventory management **AO2 Application** 2 marks for a **developed** application/explanation of **one** method of improving cash flow for a business 1 mark for a **limited** application/explanation of **one** method of improving cash flow for a business	**3**

Question	Answer	Marks
1(b)	• An overdraft is where a bank agrees to a business borrowing up to an agreed limit as and when required – therefore increase cash inflow • A short-term loan allows a fixed amount to be borrowed for an agreed length of time – which increases cash inflow • Sale of assets allows cash to be obtained from selling off redundant assets – which will boost cash inflow • Sale and leaseback allows an asset to be sold then leased back – increase cash inflow • Reduce credit terms to customers i.e. from 2 months to 1 month – will enable cash to be brought into the business sooner • Debt factoring enables customers' bills to be bought – means an immediate cash boost • Make more sales – reduce price to encourage customers to buy more, more advertising • Delay payments to suppliers i.e. pay a bill after 3 months instead of 2 months – cash outflows will fall in short term • Delay spending on capital equipment – means money is kept in the business that might have gone out • Use leasing – no large cash outlay is made – so less money going out of the business • Cut overheads (that do not directly affect output) – i.e. promotion costs – so less money going out of the business • More motivated staff – make less mistakes so less wastage of materials • Improved productivity – higher output so potential for higher sales • Improved inventory management – can free up cash • Increase revenue – by diversifying Accept all valid responses.	

Question	Answer	Marks
2(a)	**Define the term *added value*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • The difference between the cost of purchasing raw materials and the price the finished goods are sold for. • Economic value added to an existing service. • Output worth more than input. Partial understanding 1 mark • The impact of a production process. Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> quality an entrepreneur needs for success.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** quality an entrepreneur needs for success Successful entrepreneurial qualities include: • Risk taking • Multi-skilled • Leadership skills • Self-confidence/ability to bounce back • Business knowledge • Good motivator • Resilience • Hard-working • Good manager • Creative/innovative • Good /effective communicator • Independent • Initiative • Intelligent • Networker • Optimistic • Organised • Resourceful • Results driven • Self-motivated / determined /focused/committed • Team player	**3**

Question	Answer	Marks
2(b)	**AO2 Application** 2 marks for **developed** explanation of **one** quality an entrepreneur needs for success 1 mark for **limited** explanation of **one** quality an entrepreneur needs for success • Risk taking – entrepreneurs must be willing to take risks to see results – this can often be a financial risk. • Innovation – means they can carve a niche in a market – which will attract customers. • Commitment and self-motivation – as it requires long hours and hard work to be successful. • Multi-skilled – as they will have to promote and sell a product or service, manage the finances, deal with different customers, possibly hire new people. • Leadership – has to lead by example – and have a personality that encourages employees to follow them. • Self-confidence and ability to bounce back – as many businesses fail – so the strength not to be discouraged – self-belief. • Creative thinking – to identify gaps in the market. • Knowledgeable – entrepreneurs will often have in-depth knowledge of a particular industry or market – helps when dealing with customers. Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term *primary research.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding 2 marks • The collection of first-hand data that is directly related to the needs of a business • Collecting data for the first time/not been collected before Partial understanding 1 mark • Any type of research you collect yourself. Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain <u>one</u> limitation to a business of using sampling.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** limitation to a business of using sampling • The cost of taking a sample • Possible sample error • Sample may be unrepresentative • There may be bias in the sample • The time taken may be excessive • The sample may be poorly constructed • The sample is too small **AO2 Application** 2 marks for **developed** explanation of **one** limitation to a business of using sampling 1 mark for **limited** explanation of **one** limitation to a business of using sampling • Can be very expensive – if the sample is large. • Greater risk of sampling error – means data will be inaccurate – wrong conclusions drawn. • Sample not representative of the target market – if samples are too small. • Prone to sampling bias – not representative if less care is taken when selecting a sample. • Might not be practical – if sampling requires many visits across a country – expensive • Time consuming – if sample is not conveniently located. • Hard to eliminate bias – when choosing the sample • Inadequate knowledge in the subject – if the researcher lacks specialised knowledge. • Small sample size not representative of whole market. Accept all valid responses	**3**

Question	Answer	Marks
4	**Analyse <u>one</u> possible impact on a business of operating over maximum capacity.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** possible impact of operating at over maximum capacity • Stress on employees • Impact quality • Business inflexibility • Unable to maintain machinery • Strain on business resources – inventory • Sell more • Economies of scale	**5**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4</td><td>

AO2 Application
2 marks for a **developed** explanation of **one** possible impact of operating at over maximum capacity
1 mark for **limited** explanation of **one** possible impact of operating at over maximum capacity

- The impact could affect staff – who are likely to be put under excessive stress.
- Could impact on quality – if staff rush work and make mistakes/increase waste
- Business becomes inflexible – as has no room to increase output for new orders/opportunity cost of not responding to new product demand.
- Might not be able to maintain machinery – which could break down.
- Can put a strain on business resources – staff may need extra training
- More products produced and available to sell
- Costs fall due to increased output

AO3 Analysis
2 marks for **developed** analysis of **one** possible impact of operating at over maximum capacity
1 mark for **limited** analysis of **one** possible impact of operating at over maximum capacity

- Overworked staff could make more mistakes – a reduction in quality could impact brand image and lost sales.
- Could lead to high absenteeism and high staff turnover – increase recruitment costs – don't have enough staff to meet orders.
- May have to increase amount of overtime to meet orders – raise business costs.
- If operating over maximum capacity then new orders might not be possible – lose potential customers and sales.
- If demand reduces stock will remain unsold therefore wastage/opportunity cost
- If machines break down due to lack of maintenance – production stops – lose or delay orders – gives a bad reputation for being unreliable.
- Average costs can rise – due to falling levels of efficiency such as machines breaking down.

Accept all valid responses.

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Question	Answer	Marks
5(a)	**Analyse two benefits to the workforce of McGregor's theory X management.** There are 8 marks in total for Q5(a) – 4 marks for each of the two benefits to the workforce of McGregor's Theory X Management: 1 mark for 1 mark for 2 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** benefit to a workforce of McGregor's theory X management • Theory X takes the position that employees are reluctant to change and that they require significant external motivation from their managers to complete their work. • Employees dislike work and avoid it where possible. • Employees will avoid responsibility and are not creative • When staff are motivated only by money • Employees know exactly what is required of them • Some employees thrive under an authoritative management style • Employees can focus on achieving goal • Some employees may not have the skills • No room for ambiguity • Benefit new starters or people with lack of experience • Employees may not want to make decisions in a crisis • Close supervision can motivate some workers	8

Question	Answer	Marks
5(a)	**AO2 Application** 1 mark for application/explanation of **one** benefit to a workforce of McGregor's theory X management • Can benefit employees who are motivated by money – to achieve targets • Employees know exactly what is required of them – so can complete work set • Some employees thrive under an authoritative management style – perhaps if new to a job • Employees can focus on achieving goal – so they achieve it • Some employees may not have the skills - to take on more responsibility • No room for ambiguity – as roles are clear • Can benefit new starters or people with lack of experience – who need a lot of guidance • Employees may not want to make decisions in a crisis – and can rely on the manager to do this • Close supervision can motivate some workers to work more quickly – as they may naturally be lazy **AO3 Analysis** 2 marks for **developed** analysis of **one** benefit to a workforce of McGregor's theory X management **L2** 1 mark for **limited** analysis of **one** benefit to a workforce of McGregor's theory X management **L1** • If employees are motivated by money – theory X may enable targets to be met and subsequent financial rewards. • Lazy employees are more likely to be kept on track – so less likely to face disciplinary/performance issues • Removes the stress of having to make decisions (in a crisis) – so better able to cope at work • Being able to complete work set – means they meet targets set by managers • Newer employers are able to settle into job faster – might not leave • Not given additional responsibility – so don't feel overburdened Accept all valid responses.	

Question	Answer	Marks
5(b)	**Evaluate whether cooperation between management and the workforce is the most important factor in the success of a car manufacturer.** There are 12 marks for Q5(b): 2 marks for 2 marks for 2 marks for 6 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** 1 mark for **limited** knowledge **L1** • Cooperation is the action or process of working together to achieve the same goal. • A state of relations where employee and management work together to accomplish certain goals using mutually acceptable means. • It is the outcome of a continuous process of enhancing mutual trust and respecting through sharing information, discussion, consultation and negotiation. • Success can be defined by a number of factors; market share, profits, share value, productivity, labour turnover, employee relations, environmental credentials, brand image.	12

Question	Answer	Marks
5(b)	**AO2 Application** 2 marks for **developed** application **L2** 1 mark for **limited** application **L1** • Need to cooperate in different teams that work on different parts of the car such as chassis • Companies like Nissan have Kaizen that involves cooperation between management and workers • Car manufacturer related terms e.g. tyres, chassis, robots, assembly, quality circles, quality assurance, production targets, safety, car designs, TQM • Named businesses e.g. Ford, BMW, Skoda, Audi, Nissan **AO3 Analysis** 2 marks for **developed** analysis **L2** 1 mark for **limited** analysis **L1** • Cooperation can lead to a more harmonious workplace - It can improve productivity – reduce labour turnover. • A strong ethos of cooperation and teamwork – where ideas are shared - means objectives and goals can be achieved successfully – customers are satisfied. • A sense that everyone is pulling in the same direction – and are invested in the business success – can increase productivity – increase morale – attract the best workers. • Training and resources may be required to ensure effective cooperation – which can increase costs. • Goals that ensure different teams, including managers need to cooperate – can improve productivity and morale. • Communication channels between all related parties, including unions – need to work – ensure harmonious industrial relations. • Employees need to be empowered to contribute – as creative ideas could give the business a competitive edge – or help streamline production – become more efficient. • The less employee conflicts the manager has to deal with the more they can focus on helping the team achieve its objectives – production could increase – more cars made in shorter period of time. • When a mutual level of respect exists between managers and workers – willingness to perform well - then goals can be achieved. • Cooperation can enable a trusting environment – where employees feel able to take risks – increase engagement levels of employees – improve retention rates. • Workers may need to feel they are valued financially before cooperating – if not could lead to industrial action – production stops.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(b)</td><td>

AO4 Evaluation
6 marks for evaluation

Developed/Supported judgement in context	L3	**6 marks**
Developed/Reasonable evaluative comments in context	L3	**5 marks**
Developed/Supported judgement without context	L2	**4 marks**
Developed/Reasonable evaluative comments without context	L2	**3 marks**
Limited supported judgement	L1	**2 marks**
An attempt to balance the arguments/Weak attempt at evaluative comments	L1	**1 mark**

A judgement/conclusion is made that cooperation between managers and the workforce is the most important factor in the success of a car manufacturer.
These judgements/conclusions may be made at any point in the essay, not only in a concluding section.

- A conclusion that cooperation between workers and managers should be seen as just one factor in the success of a business – and other factors are just as important – such as marketing or product quality.
- A judgement that other business activities are more important, such as marketing strategies – as they need to make the right car or it won't sell as well as competitors.
- A conclusion about what the car manufacturer hopes to achieve in the long and short term (what are its corporate goals and values) and whether this is dependent on cooperation between managers and workers.
- A judgement that the onus lies on good leadership to make cooperation work or that it depends on what the employees motivations are – not everyone is interested in cooperation.
- A judgement that cooperation may solely depend on how well represented workers are by a union.
- A judgement that enhanced productivity is key to a successful car manufacturer – and should be achieved by any means necessary.

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Question	Answer	Marks
5(b)	• A judgement that car manufacturers operate in an internationally competitive market – so it is essential to do everything possible to foster cooperation. • A judgement about the environment in which the car manufacturer exists and that it is subject to factors beyond its control e.g. economic downturn or worldwide pandemic – so job security cannot be guaranteed. • A judgement about cooperation depending on factors such as – the strength/role of trade unions – location factors such as the EU or where labour is cheapest – or how successfully the business changes to electric car production in comparison to its competitors. Accept all valid responses.	

Question	Answer	Marks
6(a)	**Analyse <u>two</u> benefits to a business of improving the sustainability of its operations.** There are 8 marks in total for Q6(a) – 4 marks for each of the two benefits to a business of improving the sustainability of its operations. These 4 marks consist of : 1 mark for 1 mark for 2 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** benefit of improving the sustainability of operations • Fosters public support • Builds and improves reputation • Meets customers' expectations • Enables business to develop new growth opportunities • Attract investors • Motivated staff • Good publicity/media interest • Improved relationships with local community • Customers might be willing to pay more • Reduces waste • Long term profits increase • Protect your brand/positive brand/aligns with CSR	**8**

Question	Answer	Marks
6(a)	• Give USP • Can help attract employees • Government support • Reduces carbon tax payable **AO2 Application** 1 mark for application/explanation of **one** benefit of improving the sustainability of operations • Fosters public support – as the general public are increasingly supportive of sustainability in all aspects of their lives/less pressure group activity • Builds and improves reputation – as can be used as an USP – especially if competitors haven't moved their production processes in this direction yet. • Meets customers' expectations – especially if this is what customers look for in products and services • Enables business to develop new growth opportunities – entry into different markets • Attract investors – who value sustainable businesses in their shares portfolio. • Less waste due to more environmentally friendly processes • Staff identify with business values/sustainability • Good publicity – due to increasing media interest in "green" issues. • Improved relationships with local community – due to less pollution. • Customers might be willing to pay more – for a sustainably produced product. • Protect your brand – as less likely to attract negative news – about pollution or poor working conditions. • Can help attract employees – who want to work for a business who values sustainability. • Government support - in form of grants/tax breaks • Carbon tax higher if business is not sustainable	

Question	Answer	Marks
6(a)	**AO3 Analysis – up to 2 marks for analysis of each factor** 2 marks for **developed** analysis of **one** benefit **L2** 1 mark for **limited** analysis of **one** benefit **L1** • If the reputation of business improves – this can benefit in higher sales – market share. • If customers are willing to pay a higher price for sustainably produced products – can lead to increased profit margin. • Attract investors who want a more “green” share portfolio – increased value of company. • Less waste leads to long term increase in profits due to reduced costs • Products meet customer expectations – lead to increased customer loyalty. • Attracts employees who want to work for a sustainable business – who might bring new ideas into the business – competitive advantage. • Employees may share the values of the business – lower labour turnover – less recruitment costs. • Good relationship with local community – less protests or negative news – could affect brand image. • Good publicity – could lead to increased sales. • New sustainable machinery and process might be expensive – but will pay for itself through increased sales. • Government support – grants are source of finance to develop/grow / tax breaks reduce costs so higher profit margins • Reduced carbon tax reduces tax so profits can increase Accept all valid responses.	

Question	Answer	Marks
6(b)	**'Supply Chain Management is the most important operations factor to the success of a large internet retailer.'** **Evaluate this view.** There are 12 marks for 6(b): 2 marks for 2 marks for 2 marks for 6 marks for **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** 1 mark for **limited** knowledge **L1** • Supply Chain Management (SCM) is the management of the flow of goods and services and includes all processes that transform raw materials into final products. • SCM is the management of the flow of goods or services from procurement to delivery. • SCM includes all the activities that must take place to get the right product into the right consumers hands in the right quantity at the right time. • Internet retailer is a business that sells its products or services via a website on the internet or app and might not have a physical store you can visit.	**12**

Question	Answer	Marks
6(b)	**AO2 Application** 2 marks for **developed** application **L2** 1 mark for **limited** application **L1** • Businesses like Amazon have regional warehouses to ensure fast delivery to customers • Websites and apps are user friendly e.g. Apple, Nike • Named businesses e.g. Amazon, Apple, Nike, can be country specific • Key internet retailer related terms e.g. shopping cart, website, warehouse, no shop/store, online **AO3 Analysis** 2 marks for **developed** analysis **L2** 1 mark for **limited** analysis **L1** • If suppliers don't supply on time – customers may not get goods on time – lead to bad reputation for reliability – shop elsewhere. • Leads to increased efficiency – order to despatch time can be reduced – lead to customer loyalty. • Prices can be negotiated with suppliers – which can lead to lower unit costs – especially if a larger retailer. Cost savings can be passed onto consumers – in the form of lower prices – competitive advantage. • Improved flexibility – which may mean being able to supply customers with goods 24/7 • Quality might suffer if costs are driven too low – supplier might not be dedicated if not given a fair price – impact reputation. • Minimises operating expenses such as warehousing and transportation costs – increased profit margins. • Can be expensive to implement – requires large investment – only suitable for large businesses. • Can be very complex to implement and staff require training – causing demotivation – increased expenses. • More satisfied customers – less complaints – lower returns rates. • Can save on warehouse costs – through JIT – decreased costs. • Outsourcing deliveries – can lead to increase in customer complaints – customers change to alternative retailers.	

Question	Answer	Marks
6(b)	**AO4 Evaluation** 6 marks for evaluation	

Developed/Supported judgement in context	L3	6 marks
Developed/Reasonable evaluative comments in context	L3	5 marks
Developed/Supported judgement without context	L2	4 marks
Developed/Reasonable evaluative comments without context	L2	3 marks
Limited supported judgement	L1	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1	1 mark

A judgement/conclusion is given as to whether supply chain management is the most important operations factor to the success of an internet retailer
These judgements/conclusions may be made at any point in an essay not just in a concluding section.

- A judgement about SCM being very relevant to an online retailer – due to customers nowadays demanding and expecting quick deliveries and low prices.
- It can be concluded that Supply Chain Management (SCM) is essential in the modern online retail environment due strong competition.
- It might be concluded that SCM can bring cost savings – and that ultimately, survival is about being profitable.
- A judgement as to what is considered being successful – it might differ depending on the stakeholder
- A judgement as to how important the customer experience is when ordering goods – are customers really bothered about prompt delivery.
- It might be concluded that other factors are more important such as – recruit the right staff in the first place, successful marketing, reliable and easy to use website/apps, being able to react quickly to changes in the market/fashions.

Question	Answer	Marks
6(b)	• It might be concluded that it depends on the business objectives – do they value sustainability more – is it moral to drive supplier prices down as low as they can get them. • It might be concluded that business success can be subject to external conditions. The worldwide pandemic has had a major impact on the online retail industry – especially when high street stores had to close. • A conclusion that nowadays most businesses have some form of SCM – but that it only really benefits larger businesses. • SCM is seen as an investment by businesses – can lead to huge cost savings – enabling the business to out compete other competitors through low prices. • A judgement about SCM having a cost to the business - it affects the bottom line i.e. profits in the short term Accept all valid responses.	

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	**AO1 Knowledge and understanding** **2 marks**	**AO2 Application** **2 marks**	**AO3 Analysis** **4 marks**
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

<u>Used for Q5(b) and Q6(b)</u>

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/11**

Paper 1 Business Concepts 1 **October/November 2024**

1 hour 15 minutes

1209228365

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

1 (a) Define the term *zero budgeting*. [2]

(b) Explain **one** cause of a favourable variance. [3]

2 (a) Define the term *sampling*. [2]

(b) Explain **one** method of interpreting quantitative market research data. [3]

3 (a) Define the term *résumé*. [2]

(b) Explain **one** reason why a business may produce a workforce plan. [3]

4 Analyse **one** benefit to a business of improving capacity utilisation. [5]

Section B

Answer **one** question only.

EITHER

5 (a) Analyse **two** limitations to a business of using a business plan. [8]

(b) ‘A chocolate manufacturer should use external methods of growth to successfully achieve its objectives.’

Evaluate this view. [12]

OR

6 (a) Analyse **two** reasons why an employee’s human needs may not be satisfied at work. [8]

(b) ‘Non-financial motivators are the most effective methods of motivating a hotel’s employees.’

Evaluate this view. [12]

Cambridge International Education

Cambridge International AS & A Level

BUSINESS **9609/11**

Paper 1 Short Answer/Essay **October/November 2024**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **29** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

9609 Business Studies - Paper 1 Annotations

Annotation	Description	Use
✓	Tick	Indicates a point which is relevant and rewardable.
✗	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Application	Indicates where application is made to an appropriate business context.
AN	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
EVAL	Evaluation	Indicates where the answer has demonstrated evaluation - (Section B Part (b) questions only).
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
TV	Too vague	Used when parts of the answer are considered to be too vague.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
REP	Repetition	Indicates where content has been repeated.
L1	Level 1	Indicates a Level 1 point is made.

Annotation	Description	Use
L2	Level 2	Indicates a Level 2 point is made.
L3	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	**Used to view PE comments on Practice Scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.
AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.
AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✓ ✓where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	**0**	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *zero budgeting.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *zero budgeting* is worth 2 marks. • budgets are automatically set to zero and budget holders must argue their case to receive any finance/funds (2) Partial understanding of the term *zero budgeting* is worth 1 mark. • budgets are set to zero (1) • budgets set without consideration of historical data (1) • potential costs evaluated from 0 each year (1) Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> cause of a favourable variance.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** cause of a favourable variance • income higher than expected • increase in demand/sales • loss of competition • effective promotion • costs less than expected/decreased spending • profit higher than expected **AO2 Application** 2 marks for **developed** application/explanation of the cause given 1 mark for **limited** application/explanation of the cause given • actual sales <u>revenue</u> higher than budgeted sales revenue - economic boom leads to more sales than expected • advertisements increase sales and sales revenue is higher than budgeted • actual wages less than budgeted wages - wage rises lower than expected/less staff employed/less hours worked • lower material costs – motivated workers making less mistakes/less wastage • produced less, therefore spent less money on raw materials and labour Accept all valid responses.	**3**

Question	Answer	Marks
2(a)	**Define the term *sampling.*** **Indicative content** ***Note:*** *do not accept test marketing as a correct answer to this question.* Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *sampling* is worth 2 marks. • selecting a group of people/customers to represent the population/customer base/target market as a whole (2) Partial understanding of the term *sampling* is worth 1 mark. • choosing a group of people (1) • form of market research (1) Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> method of interpreting quantitative market research data.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** method of interpreting quantitative market research data. • tables • charts – bar, pie • graphs – line • trend analysis/moving averages • arithmetic mean, mode and median • index numbers **AO2 Application** 2 marks for **developed** application/explanation of **one** method. 1 mark for **limited** application/explanation of **one** method. • direct comparison of numerical information in table with columns and rows – could use a spreadsheet • use charts and/or graphs to represent the information presented in a table – easy to read/analyse • compare size of segments in pie charts or heights of bars comparing actual figures collected • plot data on a graph and analyse change in trend over time/moving averages • percentage or actual changes shown over time, possibly with a forecast based on the data • calculate average/most frequent/middle of a set of results - allows focus on a more realistic figure than considering extremes • set a base year as the start of analysis and compare changes over time using index numbers Accept all valid responses.	3

Question	Answer	Marks
3(a)	**Define the term *résumé*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *résumé* is worth 2 marks. • document/form/statement/template …... which summarises applicant's relevant job experience/achievements, education/qualifications and training (2) Partial understanding of the term *résumé* is worth 1 mark. • Similar/separate to a CV (1) Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain <u>one</u> reason why a business may produce a workforce plan.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** reason why a business may produce a workforce plan. • planning for future labour requirements • help with budgeting • preparing for changes in external environment • predicts changes in current labour and skills needed **AO2 Application** 2 marks for **developed** application/explanation of **one** reason 1 mark for **limited** application/explanation of **one** reason • business can plan for redundancies, retirements, maternity/paternity leave, expansion of business, labour turnover • allows changes to workforce to be budgeted for – recruitment, training, wages • ensuring that they have the right employees in terms of numbers, work locations and skills • helps businesses to deal with changes (such as the impact of new technology or in consumers' tastes) • help businesses to prepare for changes in the workforce, such as the introduction of new production-line machinery • enabling businesses to meet their organisational objectives Accept all valid responses.	**3**

Question	Answer	Marks
4	**Analyse <u>one</u> benefit to a business of improving capacity utilisation.** ***Note:*** *no marks can be awarded if a relevant benefit is not given* **Indicative content** ***NOTE:*** *some candidates have interpreted improving capacity utilisation as preventing capacity shortages or reducing long-term excess capacity. This leads to answers that focus on saving costs. This is a valid response and should be marked and rewarded appropriately.* Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** benefit to a business of improving capacity utilisation • better use of factors of production/more efficient • more products made in same time/match production to demand • achieve output maximisation • take advantage of economies of scale • reduce inventory storage cost **AO2 Application** 2 marks for **developed** application/explanation of the chosen benefit 1 mark for **limited** application/explanation of the chosen benefit	**5**

Question	Answer	Marks
4	• no idle assets e.g. employees, premises, machinery, office space • spread fixed costs of business over more units e.g. running machinery, rent of premises/unit fixed costs will reduce • cope with increases in demand, no risk of stock out • buy more raw materials/components to gain discounts • opportunity cost of inventory stored but unable to be used • no wastage **AO3 Analysis** 2 marks for **developed** analysis of the chosen **one** benefit 1 mark for **limited** analysis of the chosen **one** benefit • business can be more competitive/increase market share • cost of producing each item will fall so can lower selling price or increase profit margins • increased flexibility to meet customer demand results in customer satisfaction • business can become more profitable as costs fall but sales increase • reduced inventory costs increases profits and allows money to be used elsewhere Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> limitations to a business of using a business plan.** There are 8 marks in total for **Q5(a)** – 4 marks for each of the **two** reasons given: 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for giving **one** limitation to a business of using a business plan K • plan is often set up before the business starts to run • plan may not be accurate/may be biased • plan may be unrealistic • business plan for a large business can be a very complex document • plans quickly become out of date/are short term • may cause inflexibility/over-reliance • reduce innovation • reveals future strategies to competitors • does not guarantee success **AO2 Application** 1 mark for application of **one** limitation APP • must be based on market research but no past experience of running this business • an entrepreneur may not have business knowledge, just an idea based on a hobby • unrealistic expectations puts pressure on employees	**8**

Question	Answer	Marks
5(a)	• a lot of time and effort is taken to produce a detailed business plan • external and internal circumstances may not be predictable and can change rapidly • owner may prefer to follow the plan rather than reacting to external influences and ideas • plan may be critiqued by other businesses **AO3 Analysis** 2 marks for **developed** analysis of **one** limitation **L2** AN 1 mark for **limited** analysis of **one** limitation **L1** AN • for a start-up business the plan might be weak due to inexperience or over-optimism of entrepreneur so will not help the business to make decisions • to be useful the plan must have accurate forecasts, the right actions must be planned and effectively implemented in the given circumstances, otherwise it is a waste of time for the business to produce • without being based on reliable research and experience in this type of business the plan may be inaccurate and will not help the business to survive or develop • if goals are not achieved employees are discouraged and motivation is reduced • an employee, probably a manager, will have to be allocated the role of producing the plan, which takes them away from other aspects of their job role, so the business may be less efficient • the business plan needs to be constantly updated if it is to be an effective working document which takes further time/effort • lack of quick responses causes missed opportunities and lack of competitiveness • simply having a plan does not guarantee success/must be good and carried out well • confidential company information is revealed to external sources, losing competitive advantage Accept all valid responses.	

Question	Answer	Marks
5(b)	**'A chocolate manufacturer should use external methods of growth to successfully achieve its objectives.'** **Evaluate this view.** There are 12 marks for Q5(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** K 1 mark for **limited** knowledge **L1** K • external (inorganic) buying or joining with another business, integration, merger, takeover, horizontal, forward vertical, backward vertical, conglomerate diversification, joint venture, strategic alliance • internal (organic) sales growth with existing products and customers or new products, new customers, new markets • different types of objectives – growth in size, market share, profit, cash flow, survival, diversification, providing a service, ethical, social	12

Question	Answer	Marks
5(b)	**AO2 Application** 2 marks for **developed** application **L2** APP 1 mark for **limited** application **L1** APP • chocolate manufacturer – may give named examples, brands or foods, could refer to specific parts of the process. The manufacturer could undertake backward vertical integration with a supplier of cacao beans. Packaging is not application unless explained in relation to chocolate – it can apply to any manufacturer **AO3 Analysis** 2 marks for **developed** application **L2** AN 1 mark for **limited** application **L1** AN • horizontal integration is good for increasing market share by combining sales of both businesses, whilst getting rid of a competitor • mergers can bring together complementary ideas and techniques to aid product development e.g. new chocolate recipe • external growth is good for entering new markets where the other business is already established and successful • external growth is a quick method of expansion as all factories, equipment and employees are already in place • takeover may be too expensive for a business aiming for quick profit maximisation or a small business • internal growth is less expensive and may appeal more to a smaller business • depending on what the objectives are it is possible to achieve them without growth e.g. motivating/training workers for profit maximisation • a new business may focus on survival and then slower internal growth building on their success	

Question	Answer	Marks
5(b)	**AO4 Evaluation** 6 marks for evaluation EVAL	

Developed/Supported judgement in context	L3 EVAL	**6 marks**
Developed/Reasonable evaluative comments in context	L3 EVAL	**5 marks**
Developed/Supported judgement without context	L2 EVAL	**4 marks**
Developed/Reasonable evaluative comments without context	L2 EVAL	**3 marks**
Limited supported judgement	L1 EVAL	**2 marks**
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	**1 mark**

A judgement/decision on whether a chocolate manufacturer should use external methods of growth to successfully achieve its objectives is made.

Such judgements/decisions may be made at any point in the essay, not just in a concluding section

- depends on the objectives of the business
- depends on current size of the business
- depends on strength of brand, competition, state of economy, changing customer tastes e.g. for lower sugar chocolate
- depends on the type of chocolate products being manufactured - niche or specific to particular countries e.g. chilli chocolate. Will it transfer to a wider market?
- is there the potential for the manufacturer to grow?
- depends on how much finance is available to grow
- depends on the type of ownership of the business
- merger, friendly and hostile takeovers can all be carried out

Accept all valid responses.

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td>
Analyse <u>two</u> reasons why an employee’s human needs may not be satisfied at work.
There are 8 marks in total for Q5(a) – 4 marks for each of the two reasons given:
1 mark for K
1 mark for APP
2 marks for AN
Indicative content
Note: A candidate may interpret the question as why the business is unable to satisfy its employees’ human needs e.g. it cannot afford to pay higher wages or provide a rest room. This is an acceptable interpretation and the full range of marks is available for such an answer.
Responses may include:
Note: Some candidates make the application points as knowledge points and vice versa. This is acceptable and should be rewarded.
AO1 Knowledge and understanding
1 mark for giving one reason K

underpaid
lack of job security
unsafe working conditions
lack of teamwork
no promotion prospects
lack of work life balance
type of job
style of leadership
objectives of the business

</td><td>8</td></tr>
</table>

Question	Answer	Marks
6(a)	**AO2 Application** 1 mark for application of **one** reason APP • basic/hygiene needs not met – money, survival, low wages/salary • security and safety needs – contract, business struggling • belonging or social needs - isolated • higher level needs/motivators not being met – recognition, self-esteem, self-actualisation, achievement • hours are long and restrictive • work is boring, monotonous, lack of opportunity • autocratic, strict, regimented working style • if objectives are not profit maximisation employees might suffer **AO3 Analysis** – 2 marks for **developed** analysis of **one** reason **L2** AN 1 mark for **limited** analysis of **one** reason **L1** AN • not enough money to pay for basic standard of living for self and family. May be unskilled and low paid job – no opportunity to improve this without employer willing to increase wage and may need to pay for training to do this • no job security – no contract, zero hours, no trade union representation, unethical employer, high demand for jobs, recession causing business uncertainty – employee unable to make plans for the future • no opportunity to work with others – labour intensive flow production. Exclusion by other employees. Discrimination. Employee may be demotivated and not want to go to work • no acknowledgement or opportunity for promotion – employee feels they don't matter and may have to change jobs • no consideration by employer or management that employees have needs – may feel exploited and demotivated • employees have different needs depending on past experience and current position – need to feel that this is recognised • focus on business survival rather than profit maximisation means employee wages might be lower Accept all valid responses.	

Question	Answer	Marks
6(b)	**'Non-financial motivators are the most effective methods of motivating a hotel's employees.'** **Evaluate this view.** There are 12 marks for Q6(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** K 1 mark for **limited** knowledge **L1** K • non-financial motivators – job satisfaction, training, leadership, job rotation, job enlargement, teamworking • financial motivation – salary, commissions, bonuses, overtime **AO2 Application** 2 marks for **developed** application **L2** APP 1 mark for **limited** application **L1** APP • hotel – vacation, holiday makers, business conferences, rooms, services provided • types of employees/job roles in a hotel – cleaners, reception, hotel manager, chef, waiters	**12**

Question	Answer	Marks
6(b)	**AO3 Analysis** 2 marks for **developed** application **L2** AN 1 mark for **limited** application **L1** AN • teamworking may lead to greater efficiency in taking care of guests and lead to getting good reviews, but some employees might work better individually and dislike working with others • job rotation could make working more interesting e.g. cleaners rotate into different areas of the hotel rather than only cleaning bedrooms, but could take time to train in different areas • training to improve performance boosts self-esteem and also encourages employee to take pride in work but has cost implications • job enrichment and being given more responsibilities e.g. junior chefs being encouraged to develop a dish for the restaurant • provision of good working conditions will motivate many employees to stay with the hotel due to having good equipment and safe surroundings where there is no risk of accident • low paid, temporary, often young employees in hotels e.g. waiting staff and cleaners are possibly motivated by money therefore opportunities to earn more with overtime or piece rate may motivate them to work harder/longer **AO4 Evaluation** 6 marks for evaluation EVAL	

Developed/Supported judgement in context	**L3** EVAL	**6 marks**
Developed/Reasonable evaluative comments in context	**L3** EVAL	**5 marks**
Developed/Supported judgement without context	**L2** EVAL	**4 marks**
Developed/Reasonable evaluative comments without context	**L2** EVAL	**3 marks**
Limited supported judgement	**L1** EVAL	**2 marks**
An attempt to balance the arguments/Weak attempt at evaluative comments	**L1** EVAL	**1 mark**

Question	Answer	Marks
6(b)	*A judgement/decision regarding the most effective methods of motivating a hotel's employees is made.* *Such judgements/decisions can be made at any point in the essay and not just in a concluding section* • method may depend on type of employee and current job role • may depend on the amount of finance available to the hotel • may depend on the size/type of the hotel – small/niche/local/large chain • may depend on loyalty of employees to the hotel • may depend on number and type of competitors • may depend on whether the hotel requires motivated workers • budget vs luxury hotel e.g. Travelodge vs Hilton • expectations of clientele Accept all valid responses.	

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **October/November 2024**

1 hour 15 minutes

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  Section A: answer **all** questions.
  Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

1 **(a)** Define the term *external stakeholders*. [2]

(b) Explain **one** way the aims of employees may impact on the decisions of a business. [3]

2 **(a)** Define the term *full costing*. [2]

(b) Explain **one** limitation of contribution costing. [3]

3 **(a)** Define the term *dynamic pricing*. [2]

(b) Explain **one** reason why a business might use price discrimination. [3]

4 Analyse **one** way employee development could be used by a business to encourage intrapreneurship. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** reasons why a business should measure labour productivity. [8]

(b) Evaluate whether the sustainability of operations is the most important operational factor in a large retail distribution business. [12]

OR

6 **(a)** Analyse **two** benefits to a business of customer relationship marketing. [8]

(b) 'Market research is essential for effective product development in a hotel.'

Evaluate this view. [12]

CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Short Answer/Essay **October/November 2024**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 **Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

9609 Business Studies – Paper 1 Annotations

Annotation	Description	Use
✓	Tick	Indicates a point which is relevant and rewardable.
✗	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Application	Indicates where application is made to an appropriate business context.
AN	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
EVAL	Evaluation	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
TV	Too vague	Used when parts of the answer are considered to be too vague.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
REP	Repetition	Indicates where content has been repeated.
L1	Level 1	Indicates a Level 1 point is made.

Annotation	Description	Use
L2	Level 2	Indicates a Level 2 point is made.
L3	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	**Used to view PE comments on Practice Scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application

Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation

Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✓ ✓where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	**0**	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *external stakeholders*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *external stakeholders* is worth 2 marks. • Those outside of (who do not work for) an organisation/business … but have an interest in or are affected by that business. Accept examples such as suppliers, customers, the community if they are given to explain externality (2) Partial understanding of the term *external stakeholders* is worth 1 mark. • Stakeholders who are outside of the business (1) Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> way the aims of employees may impact on the decisions of a business.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark K for identifying **one** way the aims of employees may impact a business. • Employees are a significant group of internal stakeholders with an interest in how a business should operate and may have aims that impact on a business … ***accept general impact on a business as well as or instead of impact on business decisions.*** • Pressure human resources to produce supportive working conditions (via trade unions – threat to withdraw labour) • Seek wage/salary increases, profit share opportunities • Seek strong health/safety conditions • Seek regular training and development • Seek participation in decisions • May also be determined to be productive/hardworking leading to a positive impact on a business • May seek self-actualisation at work	3

Question	Answer	Marks
1(b)	**AO2 Application** 2 marks APP for **developed** application/explanation of the way given 1 mark APP for **limited** application/explanation of the way given The ways the aims of employees may impact on business should include examples of ***how a business might respond to the aims of employees.*** • Business may have to accept increases costs to meet employee aims/demands • May need to postpone/abandon growth policies • May need to increase prices to cover increased costs • May need to increase resource allocation to employee stakeholder group • May need to reduce focus on dividends and profit retention • May respond positively if employee aims are aligned with business aims. Accept all valid responses.	

Question	Answer	Marks
2(a)	**Define the term *full costing*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *full costing* is worth 2 marks. • The method of costing in which all fixed and variable costs … are allocated/applied to products, product prices or cost centres of a business (2) – ***reference must be made to both aspects of this definition for the award of 2 marks - reference to only one aspect of this definition is a partial definition and should be awarded only 1 mark.*** Partial understanding of the term *full costing* is worth 1 mark. • The inclusion of fixed and variable costs (1) Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> limitation of contribution costing.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying one limitation of contribution costing • Contribution costing allocates only direct costs to cost/profit centres • Segregation of fixed and variable costs often difficult and imprecise • Long term profitability is correctly calculated only using a full-cost basis • Not an appropriate method for price determination • It oversimplifies cost behaviour • Gives misleading impression of business performance • Difficult to allocate across a multi-product business • May not reflect economic reality • May prevent new product development • Calculation of contribution cost can be difficult • Only an internal tool	**3**

Question	Answer	Marks
2(b)	**AO2 Application** 2 marks for **developed** application/explanation of **one** limitation of contribution costing 1 mark for **limited** application/explanation of **one** limitation of contribution costing • Ignores overhead costs and so delays/distorts the calculation of profit or loss • Takes no account that some products/divisions may have much higher fixed costs than others • May distort economic reality – especially when inventory changes • May lead to a business continuing to produce a product long after it should have stopped production (makes a contribution) but delays a new product that could make a better contribution • Inappropriate pricing may lead to reduced sales/profitability • Gives misleading picture of business performance – overstates profit • The segregation of costs can be difficult – cannot be done with precision – marginal costs cannot be represented as a straight line • Internal use only – does not align with financial reporting regulations. Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term *dynamic pricing*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *dynamic pricing* is worth 2 marks. • The practice of varying the price of a product … in response to demand and supply (market changes) and/or ability to pay (2) – ***reference must be made to both aspects of this definition for the award of 2 marks – reference to only 1 aspect of this definition is a partial definition and should be awarded only 1 mark.*** Partial understanding of the term *dynamic pricing* is worth 1 mark. • Regular product price changes (1) • Based on demand (1) • Based on ability to pay (1) Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain <u>one</u> reason why a business might use price discrimination.** **Indicative content** **AO1 Knowledge and understanding** 1 mark for identifying **one** reason why a business might use price discrimination. ***Note:*** *Do not award a mark for a definition of what price discrimination is – award a mark only for a reason **<u>why</u>** a business might **<u>use</u>** price discrimination.* • Allows a business to take advantage of market position • Allows a business to exploit segmented markets • Allows a business to stimulate customer demand • Allows a business to maximise sales, revenue, profit **AO2 Application** 2 marks for **developed** application/explanation of **one** reason 1 mark for **limited** application/explanation of **one** reason • If conditions allow it can enable a business to maximise profits/sales when market segments are kept apart • It allows a business to set the highest price that the customer is willing to pay in each market segment based on their ability to pay. • By selling at a high price in some markets a business can maintain its share of sales in more competitive markets a lower price might be used. • A business using price discrimination can entice customers to purchase larger quantities of products/services • Price discrimination can be used to motivate otherwise uninterested customers to purchase products/services Accept all valid responses.	3

Question	Answer	Marks
4	**Analyse <u>one</u> way employee development could be used by a business to encourage intrapreneurship.** ***Note:*** *No marks should be given if a relevant 'way' is not given somewhere in the answer.* *Do not award marks for a correct definition of either* 'employee development' or 'intrapreneurship' *unless the terms are used to explain and analyse ways in which intrapreneurship is encouraged.* **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** way employee development could be used by a business to encourage intrapreneurship • Train employees to provide more/enhanced skills • Delegate to provide manager and leadership opportunities • Use motivational theorists e.g. Maslow • Support employee self-actualisation needs • Support teamwork/job enrichment opportunities to increase confidence • Provide the time and resources to innovate and think 'outside the box' • Develop flexible work patterns • Provide incentives for creative ideas/proposals • Free up time for experiments and projects	**5**

Question	Answer	Marks
4	**AO2 Application** 2 marks for **developed** application/explanation of the chosen way 1 mark for **limited** application/explanation of the chosen way • Business recognises that, with enhanced and new skills, employees can make a greater contribution to business performance • Business recognises that improved intrapreneurial skills can lead to competitive advantage and USP – and likely to be few businesses that allocate resources in such a way **AO3 Analysis** 2 marks for **developed** analysis of the chosen **one** way 1 mark for **limited** analysis of the chosen **one** way • Invest in training will develop a culture of experimentation – new skills – new confidence • Delegation will give confidence to innovate and develop new ideas • Support employees who will be risk-takers and who 'tread their own path' • Allow employees to devote a % of their work time to individual projects • Encourage prospective intrapreneurs to examine and analyse organisational bottlenecks – operate as internal consultants • Encourage autonomy and independence – recognise and reward employees that show an entrepreneurial spirit • Use employees to disrupt the business – support those that break the rules • Empower employees with tools and resources they need – give permission to innovate and break away from standard processes – encourage innovation and creativity • Develop and support intrapreneurial skill sets and lenses within the workforce – buy in through external recruitment if necessary and appropriate. Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> reasons why a business should measure labour productivity.** There are 8 marks in total for Q5(a) – 4 marks for each of the two reasons given: 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for giving one reason K • Labour productivity is real economic output per labour hour • It is an important indicator of current/future business performance • It is an important indicator of efficiency/inefficiency … what is going well/what might need changing • It allows a business to make comparisons • It allows a business to regularly analyse the factors that affect productivity levels/motivation levels • It suggests regular appraisals of resource allocation e.g. capital/labour investment	8

Question	Answer	Marks
5(a)	**AO2 Application** 1 mark for application of **one** reason APP • Labour productivity is an important determinant of business performance • Measurement of labour productivity gives a business information relating to any need to change/improve the productivity of its workforce • Measurement allows comparisons to be made between current and past labour productivity and with competitor levels of labour productivity **AO3 Analysis –** 2 marks for **developed** analysis of **one** reason **L2** AN 1 mark for **limited** analysis of **one** reason **L1** AN • Business needs to understand the strength or weakness of its current level of labour productivity – how past decisions have impacted on labour productivity • Business needs to understand why and how changes in labour productivity are needed – what level of improvement is needed • If labour productivity is seen to be declining change, options can be considered – invest in more capital equipment – automation, computerisation, robotics – more investment in employee training and skills – review production process etc. • Labour costs are often a significant proportion of production costs and the productive use of labour is closely linked to business efficiency and profitability – non-measurement of labour productivity implies there is little management control or accountability of business performance – ‘what gets measured gets done’. Accept all valid responses.	

Question	Answer	Marks
5(b)	**Evaluate whether the sustainability of operations is the most important operating factor in a large retail distribution business.** There are 12 marks for Q5(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** ***Note***: *While the term business sustainability is understood by many to be concerned primarily with environmental and social issues such as waste and carbon emissions, some candidates may present an alternative understanding of the term business sustainability.* *This alternative understanding has a focus on the need for a business to survive long term as a viable operating business having concern for issues such as sustainable employment, and the sustainability of providing appropriate goods and services. If this alternative understanding and interpretation of sustainability clearly relates to the question it should be seen as an acceptable response and marks awarded according to the strengths of the AO1, AO2, AO3, and AO4 skills presented.*	**12**

Question	Answer	Marks
5(b)	Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** K 1 mark for **limited** knowledge **L1** K • Sustainable operations are those that deliver financial value with the imperative to take account of societal and environmental impact for the benefit of all stakeholders • Sustainable operations seek to use practices and meet existing needs without placing future resources at risk and compromising the ability to meet future needs • Operating factor – any part of the operational process that affects the operational performance of a business. • Distribution warehouse – the storage of products, the sorting and filling of customer orders and the delivery of products to customers. **AO2 Application** 2 marks for developed application **L2** APP 1 mark for limited application **L1** APP • Sustainable operations such as sustainable packaging for items sold and made ready for delivery • Low carbon delivery methods – electric vans • Sustainable delivery flow methods/models • Sustainable inventory holding methods • Low energy consumption strategies in distribution warehouses • Types/e.g. of large scale retailers which use retail distribution centres	

Question	Answer	Marks
5(b)	**AO3 Analysis** 2 marks for **developed** analysis **L2** AN 1 mark for **limited** analysis **L1** AN • Improving the sustainability of operations of a business can involve – an audit of energy usage, of water usage, of waste/materials management • Improving the sustainability of operations of a distribution warehouse can involve an audit of distribution fleet energy usage/inventory flow and order management • Operational sustainability can involve – upgrade of heating and cooling systems, more energy efficient lighting, fuel efficient transport/vehicles • Improving operational efficiency involves – cost effective streamlining of base operations with a focus on resource utilisation • Improving operational efficiency can be sought and achieved through – minimising waste in operations, • Operational efficiency can be improved with – producing and managing enough inventory to meet demand with as little excess inventory as possible	

Question	Answer	Marks
5(b)	**AO4 Evaluation** 6 marks for evaluation EVAL	

Developed/Supported judgement in context	L3 EVAL	**6 marks**
Developed/Reasonable evaluative comments in context	L3 EVAL	**5 marks**
Developed/Supported judgement without context	L2 EVAL	**4 marks**
Developed/Reasonable evaluative comments without context	L2 EVAL	**3 marks**
Limited supported judgement	L1 EVAL	**2 marks**
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	**1 mark**

A judgement/decision of the importance of improving the sustainability of operations is made.
Such judgements/decisions may be made at any point in the essay, not just in a concluding section

- A judgement might be made that operational sustainability and operational efficiency are very much the same – the search for cost reduction and the measures to secure those cost reductions can be similar, e.g. waste reduction, energy reduction, efficient resource usage
- A judgement might be made that operational efficiency improvement is a much more limited activity than sustainability improvement
- A judgement may be made that the aims of a commercial business should be cost reduction and profit enhancement, not objectives concerned with environmental and societal benefits
- A judgement might be made that improving the sustainability of operations requires more substantial changes in business behaviour – a focus on the long-term rather than the short-term – the deliberate pursuit of ecological balance through the non-depletion of natural resources

Accept all valid responses.

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td> Analyse <u>two</u> benefits to a business of customer relationship marketing.
There are 8 marks in total for Q6(a) – 4 marks for each benefit given:
1 mark for K
1 mark for APP
2 marks for AN
Indicative content
Responses may include:
AO1 Knowledge and understanding
1 mark for giving one benefit K

Establishes successful customer relationships that produce and maintain customer loyalty
CRM attracts and retain customers
Improves brand image
An effective method of promotion/advertising
An effective way of increasing customer base
Provides important and detailed information on customers
Provides a potentially profitable interface with most important customers
Reduces customer dissatisfaction and complaints
</td><td>8</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td>AO2 Application
1 mark for application of one benefit APP

• CRM puts the customer at the centre of all marketing decisions to keep existing customers and gain new ones
• CRM gains as much information as possible about the income, buying habits, and product preference of customers
• CRM seeks to build a successful interface with customers and so deal with customers efficiently and effectively

AO3 Analysis
2 marks for developed analysis of one benefit L2 AN
1 mark for limited analysis of one benefit L1 AN

• Improve customer relationships – gathers data to facilitate targeted marketing and support
• Deepens the business relationship with customers – allows business to stay connected to customers and potentially increase profits
• Facilitates more effective marketing campaigns – makes forecasting simpler and more accurate – the whole customer journey from enquiry to sale is documented
• Supports a strategy to learn more about customer needs and behaviours – and so deal with customers more efficiently – determine which customers are more profitable and those that are not profitable
• Improves customer relationships where sales may be slipping or where there is poor customer service – invest in live chat, video chat etc
• Assists sales team to analyse and prioritise existing sales – identify and seize sales opportunities – cross-selling
• Reduces costs of marketing – better targeted customer information (in the cloud, for example) reduces the costs of manual and paper administrative work

Accept all valid responses.</td><td></td></tr>
</table>

Question	Answer	Marks
6(b)	**'Market research is essential for effective product development in a hotel'. Evaluate this view.** There are 12 marks for Q6(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** K 1 mark for **limited** knowledge **L1** K • Market research is action designed to gather information about consumer needs and preferences that helps to determine the viability of a product or service • Market research information can help a business to understand what customers want and their perceptions of existing products and services – strengths and weaknesses • Product development supports business survival and growth where there are changing customer demands and behaviours, and strong competition • Products are designed to be more attractive to existing customers and to attract new customers • Market research produces relevant information for product development	12

Question	Answer	Marks
6(b)	• Indicates gaps that can be filled through product development • Informs the business of competitor threats • Informs the business of performing and non-performing products and services • Informs the business of customer expectations/requirements and what changes may take place **AO2 Application** 2 marks for developed application **L2** APP 1 mark for limited application **L1** APP Market research and new products may be required due to the following reasons: • Hotel rooms may be tired, dated, too small • Hotel may lack pools, gyms, entertainment • Hotel food may be poor/indifferent • Customer services may be poor – little personal service – few remedies for faults – TV/showers not working • Hotel amenities may be out of date – refurbishment needed to meet modern needs **AO3 Analysis** 2 marks for **developed** analysis **L2** AN 1 mark for **limited** analysis **L1** AN Market research may be needed to address the following: • Develop a better understanding of customer concerns/dissatisfaction – encourage on-line reviews and feedback • Improve customer satisfaction by rewarding loyal guests and personalise the customer experience • Modernise and improve hotel services such a free internet, offer more sustainable services – recyclable materials, water conservation, simplify the booking and make checkout simple and speedy • Special offers for long stay, out of season stays – price reductions, enhanced food options, upgrade room • Recruit new leadership and management – to create new ideas and products, improved customer satisfaction • Improve quality of hotel services – new local suppliers of quality food – higher quality bed linen • Introduce new themed ‘fun’ nights – attract a new clientele • Invest more resources into marketing – exploit the brand – outflank competitor activities – market new offers Market research and product development will likely underpin and support most of the activities outlined above	

Question	Answer	Marks
6(b)	**AO4 Evaluation** 6 marks for evaluation EVAL	

Developed/Supported judgement in context	L3 EVAL	**6 marks**
Developed/Reasonable evaluative comments in context	L3 EVAL	**5 marks**
Developed/Supported judgement without context	L2 EVAL	**4 marks**
Developed/Reasonable evaluative comments without context	L2 EVAL	**3 marks**
Limited supported judgement	L1 EVAL	**2 marks**
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	**1 mark**

A judgement/decision regarding the importance of market research and new product development is made.
Such judgements/decisions can be made at any point in the essay and not just in a concluding section

- A judgement/decision might be made that, if customer satisfaction (or lack of it) is the cause of poor hotel performance, then market research is vital and important in order to determine what changes need to be made
- It may be decided that market research must come before development of products or services. Research and Development is the correct order
- The judgement is made that market research is the critical tool to enable a business to know what existing and new customers need and want – and without effective market research competitive advantage cannot be achieved
- It may be decided that effective hotel managers and leaders need to concentrate on new ideas and products quickly rather than wait for market research results
- A judgement might be made that attempts to improve hotels requires both effective market research and product development
- A judgement could be made that there are other factors that need to be considered, other than market research e.g. the quality of financial management and control, the quality of HRM, or the operational efficiency of food production and cleaning operations

Question	Answer	Marks
6(b)	Accept all valid responses.	

Mark Grids for Section B

<u>Used for Q5(a) and Q6(a)</u>

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Business Concepts 1 **October/November 2024**

1 hour 15 minutes

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

1 **(a)** Define the term *labour turnover*. [2]

(b) Explain **one** implication for a business of having a low rate of labour turnover. [3]

2 **(a)** Define the term *product differentiation*. [2]

(b) Explain **one** reason why product development might be important for a business. [3]

3 **(a)** Define the term *government grant*. [2]

(b) Explain **one** advantage of using retained earnings as a source of business finance. [3]

4 Analyse **one** likely impact on a business of outsourcing its production process. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** reasons why a business might decide to grow internally (organically). [8]

(b) 'Even a friendly merger between two social media companies may not be successful.'

Evaluate this view. [12]

OR

6 **(a)** Analyse **two** reasons why a business might use external recruitment. [8]

(b) Evaluate whether the contribution of the managers in a new hospital will have the most influence on its performance. [12]

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Short Answer/Essay **October/November 2024**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 **Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g., State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e., polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g., Corrasion/Corrosion)

2 Presentation of mark scheme:
- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:
- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:
- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

9609 Business Studies – Paper 1 Annotations

Annotation	Description	Use
✓	Tick	Indicates a point which is relevant and rewardable.
✗	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Application	Indicates where application is made to an appropriate business context.
AN	Analysis	Indicates where the answer has demonstrated analysis – questions 4, 5a, 5b, 6a and 6b.
EVAL	Evaluation	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
TV	Too vague	Used when parts of the answer are considered to be too vague.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.
REP	Repetition	Indicates where content has been repeated.
L1	Level 1	Indicates a Level 1 point is made.

Annotation	Description	Use
L2	Level 2	Indicates a Level 2 point is made.
L3	Level 3	Indicates a Level 3 point is made.
	Off Page Comment	**Used to view PE comments on Practice Scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application

Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation

Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✓ ✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	**0**	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *labour turnover*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *labour turnover* is worth 2 marks. • The rate at which employees are leaving an organisation … during a specified period (2) **or** • Number of employees leaving during a period, divided by the average number of employees during that period, multiplied by 100 (formula) (2). Partial understanding of the term is worth 1 mark. • When employees leave a business Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> implication for a business of having a low rate of labour turnover.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** implication of low labour turnover • Reduces cost of employee replacements + • Fewer interruptions in production process • Motivated/contented employees • Work culture likely to be supportive • Expertise and experience retained *Implication could be negative.* • Lack of new ideas, creative/innovative activity • High-cost employees **AO2 Application** 2 marks for **developed** application/explanation of the implication given 1 mark for **limited** application/explanation of the implication given The implications for a business with a low rate of labour turnover include: – • Costs of replacing labour is small + • Reduced loss in production time in training new employees • Morale of workforce may remain high – less stress on remaining staff if few leave • Knowledge and expertise is retained in the business • Customer service standards maintained with consistency of staff • Training costs and time saved	**3**

Question	Answer	Marks
1(b)	The implications above are all positive and may be experienced as a result of a positive working environment. However, there may be some negative implications: – • There may be some significant underlying problems in the business that need addressing - • Low labour turnover may mean that poor performers are retained and this may affect morale • The cost of employees may be very high, with many long-serving and senior employees earning high wages/salaries • The labour force may lack new ideas – little creativity and innovation • There may be few promotion opportunities with some leaving the business • Existing staff may not have appropriate skills Accept all valid responses.	

Question	Answer	Marks
2(a)	**Define the term *product differentiation.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *product differentiation* is worth 2 marks. • Making your product stand out from the competition … provides a competitive advantage or USP (2) Partial understanding of the term *product differentiation* is worth 1 mark. • Making your product stand out from the competition (1) • Provide a competitive advantage or USP (1) Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> reason why product development might be important for a business.** **Indicative content** Responses may include: ***Note:*** *Textbooks suggest that `product development` means further development of existing products in a product portfolio* ***as well as*** *the development of new products.* **AO1 Knowledge and understanding** 1 mark for identifying **one** reason. • Keep up with competition • Exploit new markets/increase existing ones • Allows use of new technology • New products more appealing to customers/ more profitable • Important to be agile, respond to market research findings and market trends • Can extend the profitable life of a product.	**3**

Question	Answer	Marks
2(b)	**AO2 Application** 2 marks for **developed** application/explanation of **one** reason 1 mark for **limited** application/explanation of **one** reason The reasons for the importance of product development include: – • The need to respond to competitive products and initiatives and win new business • Sell more to existing customers – increase the value offer • Reduce costs associated with current products and services • Produce new products and improve existing products in order to enter new markets • Businesses need to innovate or die • Support business growth – diversification and increased range of products/services • Respond to changing customer/market expectations, trends and fashions • Exploit new technology opportunities-increase sales and profits • May lead to important extension strategies. Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term *government grant*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding of the term *government grant* is worth 2 marks. • Money given by government to a business … which normally does not need to be paid back or to fund a project or operation such as job stimulation/initiative (2) Partial understanding of the term *government grant* is worth 1 mark. • Money given by government to a business (1) Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain <u>one</u> advantage of using retained earnings as a source of business finance.** **Indicative content** **AO1 Knowledge and understanding** 1 mark for identifying **one** advantage • Provides a healthy pool of working capital – to purchase assets/invest – or to pay off debts • Internal funds quicker to organise and access • Internal control of business not affected • Avoids business debt • Reduced costs/no interest payments. **AO2 Application** 2 marks for **developed** application/explanation of **one** advantage 1 mark for **limited** application/explanation of **one** advantage. The advantages of using retained earnings as a source of finance include: • May be readily available and may be substantial if accumulated over time • Cheap source of finance – unlike loans no interest payments or fees to pay • Flexible source of finance – no conditions as to how to use – can use for R&D or update equipment or hire more staff • Fast source of finance – no waiting for lenders to process a request • Ideal for urgent/emergency funding. Accept all valid responses.	**3**

Question	Answer	Marks
4	**Analyse <u>one</u> likely impact on a business of outsourcing its production process.** ***Note:*** *No marks can be awarded if a relevant impact is not given.* **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for giving **one** likely impact • Likely to lead to production cost savings • But could lead to increased production costs • Allows a business to exploit its core skills • Take advantage of production skills and expertise elsewhere • Could lose control of the production process-reduced quality – inconsistent delivery • May damage the reputation of the business • May attract criticism from pressure groups • May mean internal redundancies **AO2 Application** 2 marks for **developed** application/explanation of the chosen impact 1 mark for **limited** application/explanation of the chosen impact • Outsourcing offers a number of advantages to a business – notably the possibility of lower costs – due to lower labour rates – increased efficiency • Outsourcing also offers a business the opportunity to concentrate on its core competences, which may not include its production process	**4**

Question	Answer	Marks
4	• Outsourcing production can mean increased production costs • Could mean reputational damage if production quality suffers. • Could attract criticism from pressure groups. **AO3 Analysis** 2 marks for **developed** analysis of the chosen impact 1 mark for **limited** analysis of the chosen impact • Outsourcing the production process allows a business to enjoy significant reductions in the cost of production – especially with lower labour and land costs (depending on the selection of an appropriate outsource business) • Expensive capital investment in specialised technology is avoided-allowing focus on other activities-marketing, product design. • Allows a renewed focus on the core business – manufacturing/production can be time-consuming and high maintenance – a new focus on corporate aims and objectives • Outsource for the expertise and technology of a production process, which may not be in-house but is available with outsource companies • Outsourcing may provide more time for innovation and flexibility – opportunity to better meet changing business and commercial conditions Outsourcing may however impact on a business in a negative way: – • Control of the production process is lost – outsource company may slow the production time – language and cultural barriers • Outsourcing may lead to a reduction in quality – poor working practices – exploitation of labour • Outsourcing to a specialist production company may mean a substantial increase in production costs • Impact on in-house employees – jobs lost – fear for the future – morale reduced • Customers may have concerns and move to other businesses – ethical concerns • Outsourcing company may go out of business • There may be risks to privacy – intellectual capital – data protection Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> reasons why a business might choose to grow internally (organically).** There are 8 marks in total for Q5(a) – 4 marks for each of the **two** reasons given: 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** ***Note:*** *This question does not mention alternatives to internal growth or ask for comparisons between internal and external growth though such an answer approach is acceptable and rewardable.* *Some candidates may simply analyse why a business may seek to grow (through building an additional factory, opening up another shop, or operating in an additional different market) and make little reference to internal or organic growth issues. This approach is also acceptable and rewardable.* Responses may include: **AO1 Knowledge and understanding** 1 mark for giving ONE reason K • Reduces risk/ threat of poor mergers/alliances • Not subject to external contingencies • Business culture and morale retained • Preference to remain local/national • Avoid potential high costs involved with external growth	**8**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
AO2 Application
1 mark for application of one reason APP

• The risk to a business is lower – own values and operations are retained
• No necessity to seek strategic alliances or wait for the acceptable merger – business focus is maintained
• Risk of culture clash with another business is avoided – less disruption to workers – business morale
• Avoidance of significant merger/acquisition financial costs – external growth can be very expensive

AO3 Analysis
2 marks for developed analysis of one reason L2 AN
1 mark for limited analysis of one reason L1 AN

• Internal growth is relatively inexpensive – lower investment required – retained profits used rather than additional loans or shares
• Internal growth relies on the strengths of the business, built up over the years – building on brand reputation, best-selling products, loyal employees – evolution rather than revolution reduces business risks
• Internal growth is easier to control and manage – owners and managers retain total control of business operations and do not face unknown factors resulting from a merger/acquisition
• Internal corporate culture is maintained – organic growth allows work culture and management style to remain and avoids possible problems associated with integration with other businesses
• Maintains healthy gearing position – internal growth often funded from equity – either retained profits or issuing shares to investors – external debt is avoided – providing financial stability and solvency
• Internal growth ensures continuity – focus of the business on pre-established policies is maintained – management and workers on the same page
• Existing owners and managers may have limited ambition – limited internal growth may be seen as sufficient

Accept all valid responses.
</td><td></td></tr>
</table>

Question	Answer	Marks
5(b)	**'Even a friendly merger between two social media companies may not be successful ` Evaluate this view.** There are 12 marks for Q5(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** K 1 mark for **limited** knowledge **L1** K • Merger/takeover is the acquisition of the shares and assets of another company by a business in order to form a new legal entity • Friendly mergers result when owners and directors of both companies are in agreement • Hostile mergers occur when one company acquires a target company without the consent of the target company • Social media companies are interactive technologies that facilitate the sharing of information, ideas, interests or other forms of expression through virtual communities and networks	12

Question	Answer	Marks
5(b)	**AO2 Application** 2 marks for **developed** application **L2** APP 1 mark for **limited** application **L1** APP • A significant proportion of mergers (friendly and hostile) fail to meet objectives – shareholder value and competitive advantage not achieved • Friendly mergers more likely to achieve objectives – most mergers are friendly but 60–70% fail to realise expectations • Social media companies merge in order to achieve the advantages of any other merger – external growth, exploit common capabilities and competences, produce economies of scale, gain more efficiencies, bring more connectivity and utility to the service – e.g. merger of Facebook and WhatsApp in 2014 • The high rate of mergers failure to meet objectives suggests a number of fundamental weaknesses associated with the planning and operation of mergers **AO3 Analysis** 2 marks for **developed** analysis **L2** AN 1 mark for **limited** analysis **L1** AN • Insufficient due diligence and poor pre-merger negotiation – critical performance information may not be disclosed from either company – assumptions made about the future of the new business may be wrong • Synergies may be overestimated – revenue increases and cost reduction aims are often not achieved – implementation priorities not set – growth trajectory of the merger may be uncertain • Lack of cultural fit – there is an inability to recognise and manage the cultural differences between the merged businesses – change management is poor • Poor top management of the integration of the two companies into the newly-formed business – post-merger integration is not led/managed effectively – the absence of a new strategic plan to secure the anticipated advantages of the merger – poor communication between the merged companies – no sense of urgency for changes needed – empire building more important than integration • External factors may reduce the anticipated success of the merged business – the competition make take advantage of any merger disruption or uncertainty – there may be technological innovations that undermine the reasons for the merger – external factors such as a worldwide pandemic are factors outside of business managers' control	

Question	Answer	Marks
5(b)	**AO2 Application** 2 marks for **developed** application **L2** APP 1 mark for **limited** application **L1** APP • chocolate manufacturer – may give named examples, brands or foods, could refer to specific parts of the process. The manufacturer could undertake backward vertical integration with a supplier of cacao beans. Packaging is not application unless explained in relation to chocolate – it can apply to any manufacturer **AO3 Analysis** 2 marks for **developed** application **L2** AN 1 mark for **limited** application **L1** AN • horizontal integration is good for increasing market share by combining sales of both businesses, whilst getting rid of a competitor • mergers can bring together complementary ideas and techniques to aid product development e.g., new chocolate recipe • external growth is good for entering new markets where the other business is already established and successful • external growth is a quick method of expansion as all factories, equipment and employees are already in place • takeover may be too expensive for a business aiming for quick profit maximisation or a small business • internal growth is less expensive and may appeal more to a smaller business • depending on what the objectives are it is possible to achieve them without growth e.g., motivating/training workers for profit maximisation • a new business may focus on survival and then slower internal growth building on their success	

Question	Answer	Marks
5(b)	**AO4 Evaluation** 6 marks for evaluation EVAL <table><tr><td>**Developed/Supported judgement in context**</td><td>**L3** EVAL</td><td>**6 marks**</td></tr><tr><td>**Developed/Reasonable evaluative comments in context**</td><td>**L3** EVAL</td><td>**5 marks**</td></tr><tr><td>**Developed/Supported judgement without context**</td><td>**L2** EVAL</td><td>**4 marks**</td></tr><tr><td>**Developed/Reasonable evaluative comments without context**</td><td>**L2** EVAL</td><td>**3 marks**</td></tr><tr><td>**Limited supported judgement**</td><td>**L1** EVAL</td><td>**2 marks**</td></tr><tr><td>**An attempt to balance the arguments/Weak attempt at evaluative comments**</td><td>**L1** EVAL</td><td>**1 mark**</td></tr></table>	

Question	Answer	Marks
6(a)	**Analyse <u>two</u> reasons why a business might use external recruitment.** There are 8 marks in total for Q5(a) – 4 marks for each of the **two** reasons given: 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for giving **one** reason K • Acquire external expertise/experience • Cheaper in the long term – saves training costs • There is an internal skill gap that needs filling • The external pool of relevant employees is large • To shake up and change the internal working culture – new ideas **AO2 Application** 1 mark for application of one reason APP • External recruitment offers an alternative to a business as it seeks to develop its employees into an effective workforce • External recruitment is often used to complement internal recruitment – it provides advantages to a business that may not be available using only internal recruitment	8

Question	Answer	Marks
6(a)	**AO3 Analysis** 2 marks for **developed** analysis of **one** reason **L2** AN 1 mark for **limited** analysis of **one** reason **L1** AN • External recruitment may be used to bring new ideas, new perspectives into the business – to support plans, to become more competitive • External recruitment may be used to import new skills and expertise into the business – to meet the demands of changing technologies, customer expectations – stay competitive • External recruitment may mean access to a larger pool of prospective employees – the internal workforce may need refreshing and motivating • A business may have a policy of equality and diversity – this may require external recruitment • A business may need to recruit new managers and leaders as employees retire and/or leave – internal employees may not be ready for promotion • External recruitment may be used to remove complacency – recruit experienced change managers to implement change and invigorate the organisation Accept all valid responses.	

Question	Answer	Marks
6(b)	**Evaluate whether the contribution of the managers in a new hospital will have the most influence on its performance.** There are 12 marks for Q6(b): 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge **L2** K 1 mark for **limited** knowledge **L1** K • Business managers are employed to oversee and develop the operational and business procedures within a business – duties include setting objectives, making plans, giving direction to the organisation • Specific business manager roles have been set out by theorists such as Fayol and Mintzberg • Business performance is concerned with and measured by such factors as – profitability/efficient resource utilisation, customer/client satisfaction, organisational sustainability, and quality of product/service provision • Hospitals are organisations that have a responsibility to effectively allocate resources in order to provide healthcare to patients who may require specialist medical support – treat and make sick patients more healthy	**12**

Question	Answer	Marks
6(b)	**AO2 Application** 2 marks for **developed** application **L2** APP 1 mark for **limited** application **L1** APP • Managers can provide purpose and a sense of direction to any business • Managers may be general managers or more specialist managers – such as finance managers or HR managers and will make a specific and professional contribution to a business • Business managers are internal stakeholders and will normally take account of the views and concerns of other internal and external stakeholders when carrying out their responsibilities • A new hospital may provide specific opportunities for managers in pursuit of effective performance – opportunities to develop a rich organisational culture, to establish strong financial budgets and parameters, to invest in cutting edge technology and expertise/experience, and establish best practice medical and management processes **AO3 Analysis** 2 marks for **developed** analysis **L2** AN 1 mark for **limited** analysis **L1** AN The ways in which managers can contribute to the performance of a hospital include the following: • Develop operational and corporate goals for the organisation – provide a vision and set of objectives designed to deliver strong healthcare outcomes • Design appropriate organisational structure and operational processes – which are supportive of the organisational and project objectives • Recruit the appropriate levels and skills of the workforce – professional staff and support staff – nurses, doctors, porters and cleaners • Create an organisational culture that is appropriate for a hospital – a motivating work environment that supports emergency requirements as well as more controlled working processes • Provide the appropriate management styles suited to the demands of hospital work – democratic, autocratic, paternal, and *laisse-faire* may all be relevant given different demands and situations • Provide an appropriate system of financial control – ensure that resources are available and that budgets and financial objectives are followed	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(b)</td><td>

- Ensure that there is an appropriate organisation-patient-customer relationship – consider the possible contribution of CRM
- Design and maintain appropriate communication systems in the hospital – efficient spread of information between departments and between the hospital and all its stakeholders
- Maintain a momentum for high quality performance – including a culture that rewards performance and provides stability for all staff

AO4 Evaluation

6 marks for evaluation EVAL

<table>
<tr><td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr>
<tr><td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr>
<tr><td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr>
<tr><td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr>
<tr><td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr>
<tr><td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr>
</table>

A judgement/decision is made in relation to the view that managers in a new hospital will have the most influence on its performance.
Such judgements may be made at any point in the essay, not just in a concluding section

- The contribution that managers can make to a hospital, analysed above, is of course, dependent on manager skills and expertise – ineffective managers can reduce the performance of a hospital and get in the way of professional and support staff
- A judgement might be made that if managers are competent at corporate and departmental levels, they can significantly influence hospital performance – they take vital and appropriate decisions and create working environments that produce high quality care

</td><td></td></tr>
</table>

Question	Answer	Marks
6(b)	• It might be suggested that managers having the most influence can be said to be a generalisation that overvalues the potential contribution of managers in a hospital, and underestimates the contribution of other factors of production – it can be argued that the professional health specialists in a hospital have at least the same, or possibly more, influence – the cutting edge technology in the hospital is also critical to health care outcomes • Also, the reference to 'managers' needs further consideration – there are general and specialist managers – corporate, departmental, project managers – each category of manager can make contributions to performance or, indeed, hinder quality performance Accept all valid responses.	

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	**AO1 Knowledge and understanding** **2 marks**	**AO2 Application** **2 marks**	**AO3 Analysis** **2 marks**	**AO4 Evaluation** **6 marks**
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **February/March 2025**

1 hour 15 minutes

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS
- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION
- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

DC (WW) 341766/1

Section A

Answer **all** questions.

1 **(a)** Define the term *intrapreneur*. [2]

(b) Explain **one** disadvantage of being a small business. [3]

2 **(a)** Define the term *psychographic market segmentation*. [2]

(b) Explain **one** factor that might influence the demand for a product. [3]

3 **(a)** Define the term *indirect costs*. [2]

(b) Explain **one** benefit to a business of using budgets. [3]

4 Analyse **one** impact on employees of trade union involvement in the workplace. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** limitations to a business of capital intensive operations. [8]

(b) ‘A soft drinks manufacturer must improve its sustainability in order to compete successfully.’

Evaluate this view. [12]

OR

6 **(a)** Analyse **two** benefits to a business of using online recruitment methods. [8]

(b) ‘Improving employee morale and welfare is the most important role of human resource management (HRM) in an airline business.’

Evaluate this view. [12]

CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **February/March 2025**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the February/March 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **29** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1. Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a. DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b. DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c. DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d. DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e. DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f. DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g. DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2. Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points () or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3. Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4. Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standard isation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Correct point
✗	Incorrect point
K	Knowledge
AN	Analysis
APP	Application
EVAL	Evaluation
DEV	Development
BOD	Benefit of the doubt
NAQ	Not answered question
TV	Too vague

Annotation	Meaning
SEEN	Indicates that the point has been noted, but no credit given.
REP	Repetition
L1	Level one
L2	Level two
L3	Level three
	Off page comment. Allows comments to be entered at the bottom of the RM marking window and then displayed when the associated question item is navigated to.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:
- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	2	Indicated by 2✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	1	Indicated by 1✓ where appropriate in the answer
No creditable response.	0	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *intrapreneur*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding • employees in a business who think and act like entrepreneurs/take risks/innovative/creative/challenge existing practices/take responsibility for new projects which improve business performance (2) Partial understanding • employees who have new ideas (1) Accept all valid responses	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> disadvantage of being a small business.** **Indicative content** Responses may include: **AO1 Knowledge and understanding –** 1 mark K for identification of ONE disadvantage of being a small business. – put • uncompetitive • lack power in the market/low sales • lack experience • difficult to raise finance • financial risk is high • work long hours • income instability • uncertainty • lack of guidance • no economies of scale **AO2 Application –** 2 marks APP for developed application/explanation of one disadvantage – 1 mark APP for limited application/explanation of one disadvantage • economies of scale not possible – higher production costs – so prices may be high • suppliers and customers may prefer larger businesses which they trust • more established businesses have greater understanding of the market • lenders/investors may be unwilling to supply finance due to higher risk of failure • forced to take out loan – especially at start-up • limited resources especially in early stages • unreliable revenue streams – fluctuations – reliant on savings • uncertainty of survival – effect of external interruptions • lack of mentor or advice Accept all valid responses	3

Question	Answer	Marks
2(a)	**Define the term *psychographic market segmentation*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding.** Clear understanding • a form of market segmentation that divides consumers into sub-groups based on shared psychographic criteria such as lifestyles / personalities / values / social class / attitudes beliefs / interests / opinions / spending habits (2) Partial understanding • a research method/way of dividing consumers into sub-groups (1) Accept all valid responses	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(b)</td><td>
Explain <u>one</u> factor that might influence the demand for a product.

Indicative content

Responses may include:

AO1 Knowledge and understanding – 1 mark K for identification of one factor that might influence the demand for a product

• income of customers
• price of competitors’ products
• price of complementary products
• marketing activities
• change in customers’ tastes
• the price of the product
• the particular features of the product

AO2 Application – 2 marks APP for developed application/explanation of one factor
– 1 mark APP for limited application/explanation of one factor

• income affects how much of a product the customer is willing and able to buy
• if competitors’ products are cheaper the customers are more likely to buy them and vice versa
• complementary products are bought together so an increase in price of one will reduce demand for the other and vice versa
• effective marketing makes customers aware of a product and can increase demand
• fashions and customer tastes can change which may increase or decrease demand for a product
• if the price of the product becomes competitive the demand may increase
• the product is given a special feature

Accept all valid responses
</td><td>3</td></tr>
</table>

Question	Answer	Marks
3(a)	**Define the term *indirect costs*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding.** Clear understanding • Costs that cannot be identified with a unit of production or allocated accurately to a cost centre / business expenses not related to making of products or delivering services / business expenses necessary for overall operation of a business / overhead expenses such as rent, utilities, depreciation, salaries (2) Partial understanding • An overhead cost (1) Accept all valid responses	2

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(b)</td><td>

Explain <u>one</u> benefit to a business of using budgets.

Indicative content

Responses may include:

AO1 Knowledge and understanding – 1 ma K for identifying one benefit to a business of using budgets

- prevents over-spending
- assists in the control and appropriate allocation of resources
- motivates employees
- used to measure, monitor and review business/departmental/individual performance
- helps to achieve objectives
- improves quality of decisions
- identifies problems before they occur
- assists in planning for the future
- easy to compare present with previous performance

AO2 Application – 2 marks APP for developed application/explanation of one benefit to a business of using budgets
– 1 mark APP for limited application/explanation of one benefit

- each manager knows what they have available to use/spend within their department
- employees are given responsibility to keep within a budget
- can be used as part of an appraisal process for objectives and targets set
- progress against budget can measure effectiveness of individual employees or departments
- allows business to review/revise how it has performed in controlling/meeting its budgets
- extra resources can be directed where they are most needed to improve business performance/efficiency
- builds in financial accountability
- future need to raise finance anticipated – future cash flow difficulties

Accept all valid responses

</td><td>3</td></tr>
</table>

Question	Answer	Marks
4	**Analyse <u>one</u> impact on employees of trade union involvement in the workplace.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** – 1 mark K for identifying ONE impact on employees of trade union involvement in the workplace • financial benefits • job security • participation in decision-making – collective bargaining • improved working conditions • motivation • may put employees into conflict situations with employers **AO2 Application** – 2 marks APP for developed application/explanation of one impact – 1 mark APP for limited application/explanation of one impact • maximising wages for every member by collective bargaining • union represents/supports employees threatened by redundancy • unions can encourage employers to include employees in job enrichment, redesign, etc • union negotiates with employers regarding health and safety needs • reference to Maslow/Herzberg • trade unions may dispute with employers **AO3 Analysis** – 2 marks AN for developed analysis of one impact – 1 mark AN for limited analysis of one impact • more power with trade unions than individual attempts so members can bargain for higher wages • unions will act on behalf of employees and support them during issues relating to job security	5

Question	Answer	Marks
4	• employees will be motivated by more involvement in their role so enjoy their work more • better working conditions will protect employees from injury when they are at work • helps achieve Maslow's physiological needs and Herzberg's hygiene factors • employers may victimise trade union representatives Accept all valid responses	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> limitations to a business of capital intensive operations.** There are 8 marks in total for q 5(a) – 4 marks for each of the limitations analysed. 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** – 1 ma K for each limitation identified • expensive to set up • higher breakeven output • machinery may be designed for mass production only • can be inflexible • demotivates employees • skilled employees are needed to operate capital intensive operations **AO2 Application** – 1 mark APP for application of each limitation • new machinery must be purchased • fixed costs can be higher	**8**

Question	Answer	Marks
5(a)	• large output of standardised product • may be difficult to adjust machines to produce different products • redundancies / less interest in work / stressful training / adaptation to new working style **AO3 Analysis** – 2 marks L2 AN for developed analysis of each limitation – 1 mark L1 AN for limited analysis of each limitation • in the short-term new machinery can be more expensive than employing workers to do the same job. The business may not be able to afford this without taking out a loan which is expensive to repay • more products will have to be made to reach the breakeven output and make a profit. This will increase variable costs and the supplier may not be able to supply the necessary raw materials/components • demand may not be high enough to require capital intensive production so a business might operate under capacity therefore wasting resources • difficult to customise products to individual customer needs/changes in customer demand. Niche market customers may be lost to competitors • less need for employees/less labour intensive/jobs of retained employees may be boring or require extra training. HR problems may increase and costs of changes to workforce may be too expensive to make a change to capital intensive operations Accept all valid responses	

Question	Answer	Marks
5(b)	**'A soft drinks manufacturer must improve its sustainability in order to compete successfully.'** **Evaluate this view.** 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** – 2 marks for developed knowledge and understanding L2 K – 1 mark for limited knowledge and understanding L1 K • manufacturer – secondary production, raw materials/components to finished product • sustainability – prevent waste – use the minimum of non-renewable resources so levels of production are sustained in future • compete successfully	12

Question	Answer	Marks
5(b)	**AO2 Application/context** – 2 marks for developed application/conte L2 APP – 1 mark for limited application/conte L1 APP • soft drinks – non-alcoholic e.g. fruit juices, cordials, soda, lemonade • packaging – bottles (glass, plastic), cartons, recycle, refill **AO3 Analysis** – 2 marks for developed analysi L2 AN 1 mark for limited analys L1 AN Importance/benefits of sustainability • reduces negative impact of operations on the environment – part of CSR objective • climate change pressure groups and bad media reports are reduced – these can disrupt production and/or reputation • customers increasingly interested in production methods – can influence purchasing decisions /expand customer base • may attract investors, employees and consumers who share values relating to sustainability • costs may be reduced through recycling and reusing resources or using fewer resources/less waste • governments may give support/grants to businesses to help improve sustainability Implications of sustainability – • costs of changing supply chain and/or production methods • reconsider what is produced e.g. low or no sugar soft drinks • find ways to be sustainable e.g. recyclable packaging, alternative energy • will involve change EVAL regarding HRM – planning, training	

Question	Answer	Marks
5(b)	**AO4 Evaluation** – up to 6 marks foEVAL Developed/Supported judgement in context — L3 EVAL — 6 marks Developed/Reasonable evaluative comments in context — L3 EVAL — 5 marks Developed/Supported judgement without context — L2 EVAL — 4 marks Developed/Reasonable evaluative comments without context — L2 EVAL — 3 marks Limited supported judgement — L1 EVAL — 2 marks An attempt to balance the arguments/Weak attempt at evaluative comments — L1 EVAL — 1 mark *A judgement/decision is made on whether a soft drinks manufacturer must improve its sustainability if it is to compete successfully. These judgements/decisions may be made at any point in the essay but will normally be made in a concluding section.* • how sustainable are the operations of the business now/is it necessary/possible to improve further? • how competitive is the market/is there a threat from other businesses being more sustainable? • what is the attitude of customers to sustainability/will it make any difference to their buying habits? • how expensive will it be to adjust operations to become more sustainable/is it worth the cost? • how important is improving sustainability compared to the marketing mix, product development, quality of employees, external environment, etc? Accept all valid responses	

Question	Answer	Marks
6(a)	**Analyse <u>two</u> benefits to a business of using online recruitment methods.** There are 8 marks in total for q 5(a) – 4 marks for each of the benefits analysed. 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** – 1 mark K for each benefit identified • cost effective • immediate/flexible • bigger audience • easy • more dynamic • accessible/targeted **AO2 Application** – 1 mark APP for application of each BENEFIT • pay as much or little as wanted • edit/update/remove advert in real time	8

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td>

advertisements can be global
process is clear, easy to understand and user friendly
creative e.g. video to show business and role
connect via internet – computer/laptop/tablet/phone
use social media e.g. LinkedIn, Facebook

AO3 Analysis – 2 marks for developed analysis of each benefit L2 AN
– 1 mark for limited analysis of each benefit L2 AN

managed properly can save money/avoids the cost of using other methods
interact with/update applicants as soon as changes to vacancy occur – speeds up recruitment process
online advertisements can be seen by potential applicants with internet connection globally
employers and potential applicants can contact each other more quickly and easily
makes business more attractive to applicants and might be more likely to apply
younger target market uses this method of research and communication more than others
one person who sees the advert can easily share with colleagues/friends/family

Accept all valid responses</td><td></td></tr>
</table>

Question	Answer	Marks
6(b)	**'Improving employee morale and welfare is the most important role of human resource management (HRM) in an airline business.'** **Evaluate this view.** 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** – 2 marks for developed knowledge and understanding L2 K – 1 mark for limited knowledge and understanding L1 K • employee morale – satisfaction of employees within the workplace • employee welfare – facilities that are essential for the well-being of the employees • roles of HRM – workforce planning, recruitment, training, motivation, redundancy, dismissal	**12**

Question	Answer	Marks
6(b)	**AO2 Application/Context** – 2 marks for developed application/conte L2 APP – 1 mark for limited application/conte L1 APP • likely causes of reduced morale and welfare – flights at anti-social hours, long periods away from home, standing for long periods of time, difficulty in moving along aisles, aggressive passengers, • airline business – training cabin staff in health and safety actions, customer service, recruiting experienced pilots, planning workforce for changes in seasonal demand (holiday periods) **AO3 Analysis** – 2 marks for developed application/contex L2 AN – 1 mark for limited application/conte L1 AN • importance/benefits of improving morale and welfare – employees will have safety and security needs met, may be less likely to leave the business, labour turnover is reduced, cost of recruitment is reduced, motivation might be increased, passengers will receive good customer service and will return, improve reputation of airline brand, could increase prices so more profit • drawbacks/limitations of improving morale and welfare – cost of provision of facilities for employees may be expensive and difficult e.g. space to relax during a long flight, nature of the work means long periods standing, customers may reduce morale due to their behaviour/attitude towards staff **AO4 Evaluation** – up to 6 marks fo EVAL	

Developed/Supported judgement in context	L3 EVAL	6 marks
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks
Developed/Supported judgement without context	L2 EVAL	4 marks
Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks
Limited supported judgement	L1 EVAL	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark

Question	Answer	Marks
6(b)	*A judgement/decision may be made at any point in the essay as to the importance of employee morale and welfare but will normally be made in a final evaluation section* Consider whether other roles of HRM are important – • workforce planning – vital to anticipate future staff requirements in dynamic airline market, can seasonal contracts be used, how important is using employees as resources in meeting the objectives of the business? • recruitment – very important to have the best employees available for ground crew, flight crew and pilots – different skills and experience necessary and must follow correct/legal procedures • training – must offer appropriate type of training – cabin staff need different skills to pilots – safety vital in airline industry • motivation – financial/non-financial methods, prevent/reduce labour turnover and associated benefits/costs • redundancy – changing demand for flights e.g. seasonal fluctuations – reduce need for some employees, need to save cost • dismissal – safety failures and poor customer service ruin the airline’s reputation and employees will have to leave • what is the current employee morale and welfare like/can it be improved further? • do employees feel that the business should focus on their morale and welfare or are other things more important to them? • morale and welfare probably meet safety and security needs but how important is achieving self-actualisation to workers? • is the importance of improving morale and welfare dependant on the type of employee e.g. pilots, cabin staff? Accept all valid responses	

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/11**

Paper 1 Business Concepts 1 **May/June 2025**

1 hour 15 minutes

5511657178

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

DC (DE) 341665/1

[Turn over

Section A

Answer **all** questions.

1 **(a)** Define the term *job enrichment*. [2]

(b) Explain **one** disadvantage to a business of using empowerment to motivate employees. [3]

2 **(a)** Define the term *price discrimination*. [2]

(b) Explain **one** disadvantage to a business of using competitive pricing. [3]

3 **(a)** Define the term *capital intensive operations*. [2]

(b) Explain **one** limitation to a business of labour intensive operations. [3]

4 Analyse **one** way a business might fail as a consequence of lack of finance. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** ways business enterprise can help the development of a country. [8]

(b) ‘Intrapreneurship is the most important factor that will ensure the success of a computer entertainment business.’

Evaluate this view. [12]

OR

6 **(a)** Analyse **two** ways international markets may present different challenges to a business than national markets. [8]

(b) Evaluate whether customer relationship marketing (CRM) is suitable for all small businesses. [12]

CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/11**

Paper 1 Business Concepts 1 **May/June 2025**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **35** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	**Meaning**
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

<u>Used for Q1(a), Q2(a) and Q3(a)</u>

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	**0**	

<u>Used for Q1(b), Q2(b) and Q3(b)</u>

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding 1 mark	**AO2 Application 2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *job enrichment.***** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding • Job enrichment involves increasing the range/ interest/challenge/responsibility/complexity of jobs to further motivate an employee (2) • Occurs when employees' jobs are redesigned to provide them with more challenging and complex tasks (2) Partial understanding • Give employees different work to do (1) Accept all valid responses.	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(b)</td><td>Explain <u>one</u> disadvantage to a business of using empowerment to motivate employees.

There are 3 marks for this question:

1 mark for K

2 marks for APP

Indicative content

Responses may include:

AO1 Knowledge and understanding

1 mark K for identifying one disadvantage of using empowerment to motivate employees

• Employees lack ability/experience to respond
• Decisions are poorer
• Business is less efficient
• Employees become de-motivated
• Employees more stressed
• Some employees may leave.
• Empowerment may not work/may not last</td><td>3</td></tr>
</table>

Question	Answer	Marks
1(b)	**AO2 Application** 2 marks for **developed** APP of the disadvantage given 1 mark for **limited** APP of the disadvantage given • Employees may not be capable of taking more control of their work – might lead to de-motivated employees. • Empowerment may mean decisions are made by less experienced and less expert personnel – increasing the number of mistakes made and increasing risk. • May lead to decreased efficiency – autonomous employees may work independently and decide to work more slowly and/or work at the pace of the slowest – less collaboration and teamwork. • Relationships between managers and employees become blurred – boundaries of authority broken in a flatter, more streamlined structure – managers may lose control. • Employees stress increases, morale decreases in a preference for alternative forms of motivation. • Empowered employees become more attractive to competitors (risk of staff poaching). • May not work as some employees are only motivated by financial benefits e.g. bonus Accept all valid responses.	

Question	Answer	Marks
2(a)	**Define the term *price discrimination.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding • The policy of selling the same product at different prices (1) to different buyers (1) Partial understanding • Selling a product at different prices (1) • Setting different prices for different people (1) Accept all valid responses.	**2**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(b)</td><td>Explain <u>one</u> disadvantage to a business of using competitive pricing.

There are 3 marks for this question:

1 mark for K

2 marks for APP

Indicative content

Responses may include:

AO1 Knowledge and understanding
1 mark for identifying one disadvantage of using competitive pricing

• Competitive pricing may mean a business makes a loss
• Competitive pricing may force prices down/lower in the long turn
• Could lead to business failure
• Could lead to a price war
• Could deflect a business from other objectives
• May mean too much concern for competitor actions.
• May lead to lower/less sales</td><td>3</td></tr>
</table>

Question	Answer	Marks
2(b)	**AO2 Application** 2 marks for **developed** APP of the disadvantage given 1 mark for **limited** APP of the disadvantage given • A business that sets prices solely on competitor prices might risk selling at a loss as it may not be able to cover its manufacturing costs or business overhead expenses. • Competing using competitor prices (lower) might give a competitive edge in the short term, only as competitors fight back with lower prices. • Could lead to lower profit margins and increase the risk of failure, especially true of businesses with few financial resources. • May be difficult and costly to discover competitor prices – need to hire pricing teams or purchasing automated competitor pricing monitoring tool. • Could lead to a price war and even if a business can sustain low prices, customers may see the low-price product as an inferior product. • A sole focus on competitive pricing might deflect a business from concerns for quality and added value. • Too much focus on competitor's prices may also mean too much time spent on competitors, to the detriment of insufficient time spent on internal issues such as strengthening its USP and competitive edge (other than price points). Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term capital intensive operations.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding • Capital intensive operations involve business processes/production that require large amounts of capital expenditure/machinery/equipment (1) compared to labour (1) Partial understanding • Production/business processes that need capital (1) Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain one limitation to a business of labour intensive operations.** There are 3 marks for this question: 1 mark for K 2 marks for APP **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** limitation of using labour intensive operations • Expertise, experience of employees can vary • Skilled workers may take time to train. • It can be more expensive • Relatively inefficient and inconsistent/unreliable levels of effort/not as fast as machines • Labour relations problems. • Difficulty of replacing/recruiting staff.	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(b)</td><td>AO2 Application

2 marks for developed APP of the limitation given

1 mark for limited APP of the limitation given

Production processes that have a high level of labour input and a low level of capital input may have the following limitations:

• Variable levels of labour expertise and experience may lead to variable levels of product quality.
• The training and re-training of employees may be very expensive and may disrupt the production process.
• Due to lower productivity the unit cost may be higher than capital intensive operations
• Unable to reach the consistency levels of machine production-employees fall ill and take holidays.
• Employees may seek better conditions leading to disputes, strikes, unionisation.
• Labour turnover may be high, competitive markets for labour may mean labour shortages-growth targets threatened.

Accept all valid responses</td><td></td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>4</td><td>Analyse <u>one</u> way a business might fail as a consequence of lack of finance.

There are 5 marks for this question:

1 mark for K

2 marks for APP

2 marks for AN

Indicative content

Responses may include:

AO1 Knowledge and understanding

1 mark for K identifying one way a business might fail due to lack of finance

Inability to:
• sustain cashflows
• provide working capital
• build up reserves
• pay suppliers/variable costs
• invest
• obtain sources of finance
• maintain quality/innovation/research and development
• to recruit managers
• bankruptcy/insolvency/administration/liquidity issues</td><td>5</td></tr>
</table>

Question	Answer	Marks
4	**AO2 Application** 2 marks for **developed** APP of the chosen way identified 1 mark for **limited** APP of the chosen way given • A lack of finance may undermine a business's capacity to survive at various times and in various situation • Such as the inability to purchase essential equipment • An inability to cover day-to-day expenses (paying wages and suppliers) • An inability to build up reserves in times of recession • An inability to support essential growth and expansion plans. **AO3 Analysis** 2 marks for **developed** AN of the chosen way 1 mark for **limited** AN of the chosen way • Insufficient start-up finance can lead to early business failure – significant capital investment is likely to be needed to provide an adequate infrastructure for survival, e.g. purchase of adequate equipment, hire of appropriate labour, initial launch expenditure and publicity material. Without sufficient finance, such an initial set of essential requirements will not be met, resulting in the likely collapse of a business. • A business is likely to fail if it doesn't maintain adequate positive cash flows and sustain an adequate level of working capital. Poor financial management can lead to high inventory levels, an excessive number of debtors, and an inability to cover day-to-day activity expenses. If a business is unable to pay bills (especially suppliers) and pay employees, it will be unable to operate – businesses need to have several months of working capital in reserve as a buffer against delayed incoming payments. • A business to be successful may need to continuously expand and grow – develop new products and expand into new markets. This growth and expansion requires funding and without an effective financial structure in place, businesses that are unable to expand are at risk of being left behind by competitors and eventually failing. • Businesses need sufficient finance to respond to adverse economic conditions – unexpected recessions and depressions – the progress of any business is rarely linear – sufficient finance is needed for a business to survive challenging times – a lack of contingency finance can result in business failure. Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> ways business enterprise can help the development of a country.** There are 8 marks in total for Q5(a) 4 marks for each of the ways business enterprise can help the development of a country. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for K identifying **one** way business enterprise can help the development of a country – repeat for a second way identified. **NOTE:** The impact of enterprise can be within a business enterprise or within the wider economy • Stimulates economic activity • Stimulates and improves social welfare • Leads to economic growth • Market demand for goods and services is increased • Innovation leads to new products • Jobs are created • Consumer spending is stimulated • Export opportunities exploited • Bring factors of production together with entrepreneurial spirit and purpose, creating dynamism in an economy	8

Question	Answer	Marks
5(a)	**AO2 Application** 1 mark for APP of a **one** chosen way identified - repeat this for the application of a second identified way. • In market economies, business enterprise acts as the wheels of economic growth and development. Un-utilised resources, labour and capital are utilised efficiently. • Entrepreneurs stimulate a business enterprise culture and thrive within it, creating new products and services, stimulating new employment and accelerate economic growth and development. Stimulates and improves social welfare – such as electricity for all **AO3 Analysis** 2 marks for **developed** AN of **one** chosen way – repeat for second identified way 1 mark for **limited** AN of **one** chosen way – repeat for second identified way • Business enterprise stimulates new business formation, providing choice, dynamism, competition and employment, often locally owned and committed to local areas, and act as seedbeds for further development. • Business enterprise cultures lead to the creation of new jobs and opportunities – often entry level jobs to turn unskilled job holders into skilled ones and prepares and provides experienced works for larger industries. • Business enterprise initiatives bring innovation and creativity to countries – resources are used effectively as new and improved products, services, and technologies are developed, leading to the generation of new wealth, higher tax revenues, allowing governments to offer citizens more benefits. • Business enterprise encourages research and development to solve problems that existing products and technology have not yet solved – bring innovation to existing products – secure new finance and experiment with new approaches to business functions, such as HRM, Operations, Finance, and Marketing. • The economic benefit of business enterprise may create the income and wealth for social change and development by reducing a dependency on obsolete methods, systems and technologies – the opportunity for improved lifestyles and better economic choice. Accept all valid responses.	

Question	Answer	Marks
5(b)	**'Intrapreneurship is the most important factor that will ensure the success of a computer entertainment business.'** **Evaluate this view.** There are 12 marks for Q5(b) 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge and understanding L2 K 1 mark for **limited** knowledge and understanding L1 K • Intrapreneurs are part of a business system and environment that allows employees to act like entrepreneurs within a business, who promote new ideas, inspire creativity, and take proactive steps to improve business operations – a source of innovation within an organisation. • The risks taken by intrapreneurs are absorbed by the business as the formal and informal structures and processes are exploited by intrapreneurs to introduce new ideas, carve out new paths, initiate new ventures and drive organisational change. • The success of a business refers to an ability to survive the uncertainty and volatility of business environments and continue to exist as a viable, productive and sustainable business organisation. • There are many factors that might lead to success e.g. marketing, finance, operations, HRM	**12**

Question	Answer	Marks
5(b)	**AO2 Application** 2 marks for **developed** application/context L2 APP 1 mark for **limited** application/context L1 APP • As the lifespan of the average business organisation continues to shrink, even the most resilient and successful businesses who apply sound business management principles to operations, are not immune to gradual erosion of their positions of growth and dominance. • Intrapreneurs are seen to have the skillset to challenge the 'business as usual' mindset and so allow a business to respond to the disruptive changes in the external market environment by inducing change in the organisational internal environment. • It is increasingly recognised that 'business as usual' operating decisions and procedures are no guarantee of 'ongoing success for a business'. In order to succeed in local, national or global markets, it is asserted that it is necessary to develop new products and do business better and faster than competitors. These developments, it is argued, require distinctive organisational cultures within which intrapreneurs have a vital role to play. • Computer entertainment businesses use computers to allow us to watch movies online, play games online, act as virtual entertainers in playing games, listening to music, videos can be fed from computers to full screen TVs. • Computers have a major effect on the entertainment industry- using technology/software to create striking special effects in movies, creation of animated features and creation of multi-media presentations.	

Question	Answer	Marks
5(b)	**AO3 Analysis** 2 marks for **developed** analysis L2 AN 1 mark for **limited** analysis L1 AN • Ongoing success may well depend on 'going back to the garage' – Steve Jobs, – to recapture the innovative and creative spirit of the past – there is severe competition and new starters abound in the computer entertainment market. • The impact of an intrapreneur can lead to the re-invention of a business – any delay in such re-invention can increase the risk of a business failing – intrapreneurs can drive this reinvention, e.g. change a letter-delivery business to a parcel-delivery business – the British Post Office is cited as an example where the ongoing success has been put at risk with too little intrapreneurial impact on strategic decisions. • Intrapreneurs can generate new ideas and identify new business opportunities and detect success-threatening problems. They can critically evaluate existing organisational and market structures, make use of existing sound commercial infrastructures, sales networks, and financial stability to develop new products and make existing ones more competitive. • Intrapreneurs can provide a longevity to business operations and stimulate new growth opportunities if they can inculcate intrapreneurial thinking and behaviour among managers and employees. • Sony Playstation happened as a junior employee tinkered with his daughter's Nintendo to improve the sound quality – this tinkering convinced Sony of the value of computer gaming systems – Sony now has 2/3rds of market share of the console operating system market. • Agile companies create and support intrapreneurial cultures to ensure that the business does not become too comfortable with past success – the focus is not so much on next quarter's profit as the next decade's worth of revenue growth. • Intrapreneurship is encouraged and supported to ensure that there is a focus on the future (technological developments and consumer trends) – a focus on 'emerging business/product opportunities'. • Intrapreneurship is mainstream as intrapreneurs are supported with capital and allowed to take advantage of the existing customer base, cross-functional expertise, the brand name, the business infrastructure, the stability of a corporate job, and mentorship and guidance. • Intrapreneurs provide the skills for recognising and solving important problems within a business and have the independence and authority to suggest changes for planning the future of a business – they determine methods for staying ahead of the competition and in so doing, contribute to the ongoing survival and success of a business.	

Question	Answer	Marks
5(b)	**AO4 Evaluation: Up to 6 marks for evaluation:**	

Developed/Supported judgement in context	L3 EVAL	6 marks
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks
Developed/Supported judgement without context	L2 EVAL	4 marks
Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks
Limited supported judgement	L1 EVAL	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark

- Any judgements, conclusions, or evaluative comments can be made at any point in an essay, not just in a concluding session.
- A supported judgement may be made that while the role of an intrapreneur is critical to the ongoing success of a business, it is not the only, or the most important, influence on the continuing success/viability of a business.
- It might be concluded that intrapreneurship is very important for the ongoing success of a computer entertainment business, whether the business is large – to recapture the spirit that initially put it on the road to success, or small – to maintain the entrepreneurial spirit that gave it birth.
- The judgement may be made that intrapreneurship will ensure that working environments remain innovative and creative, rather than become rigid and stifling.
- The judgement may be made that the role of intrapreneurship is critical if computer entertainment businesses are to remain agile and customer-driven, and take full advantage of new opportunities in consoles, software and accessories that will ensure their ongoing success.
- It might be argued that more important is the quality of management and leadership in a business, especially if the role and importance of intrapreneurship is recognised and given the investment and support by those managers and leaders – effective strategic thinking and management.
- It might also be judged that the effective delivery of key business functions is as, or more, important than intrapreneurship, e.g. effective financial management – finance for growth, new equipment, effective HRM, productive and high morale working environments – effective marketing – developing the brand – effective operations – cutting edge technology.

Accept all valid responses.

Question	Answer	Marks
6(a)	**Analyse <u>two</u> ways international markets may present different challenges to a business than national markets.** There are 8 marks in total for Q6(a) 4 marks for each of the ways international markets may present different challenges to a business than national markets. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 K mark for identifying **one** way international markets may present different challenges to a business than national markets Repeat this for a **second** identified way. **NOTE**: International markets are global markets outside the international borders of a business's country of citizenship – people and businesses from different nations and sharing different cultures may compete in an international market. National market is a domestic market for goods and services operating within the borders of, and governed by, the regulations of a particular country. A business is likely to be more familiar with trading relationships and regulations and there is likely less risk, uncertainty and complexity when operating in a national market.	8

Question	Answer	Marks
6(a)	Ways may include: • International markets may present language challenges to business entrants • International markets may have business cultures that do not match national market expectations • Operating in an international market may require more expertise, competence and special management skills • Competition is likely to be tough and intense in international markets • International markets may present more high-risk challenges to businesses, such as political volatility, changing fashion, etc • International markets may require acceptance of different tariff and non-tariff constraints and local laws and policies **AO2 Application** 1 mark for APP of the chosen way. Repeat this for a **second** identified way. • International markets may present language challenges to business entrants – many languages may be used. • International markets may have business cultures that do not match national market expectations, e.g. in respect of religion, dress codes, working hours, personal space and facility, and gift giving. An ability to recognise, respect and adapt to these differences may reduce your ability to succeed in an international market. • Operating in an international market may require more expertise, competence and special management skills to deal with the more complex circumstances and situations like changes in the strategies of governments and the mindsets of customers. • Competition is likely to be tough and intense in international markets – global competition involves competition not only with competitors from home countries, but also with competitors from foreign lands. • International markets may present more high-risk challenges to businesses, such as political volatility, changing fashion trends, sudden war situations, changing government regulations, and communication barriers. • International markets may require acceptance of different tariff and non-tariff constraints and local laws and policies enforced in different nations – business relationships may involve complexity and lengthy time dimensions.	

Question	Answer	Marks
6(a)	**AO3 Analysis** 2 marks for **developed** analysis of the chosen way L2 AN Repeat for second identified way. 1 mark for **limited** analysis of the chosen way L1 AN Repeat for second identified way. • International markets may present distinctive challenges to national businesses – they may exhibit very unique and volatile market situations regulations, and conventions requiring creative, responsive and flexible reactions, accommodations and compromises. • The business cultures of international markets may be distinctive and unusual and outside the experience of national competitors, requiring adaptability and acceptance of unusual and often morally questionable business practices. • International markets may be politically volatile requiring fast responses by national business`s such as making special payments in order to engage in business activity. • Local laws and policies in international markets may be unconventional and communication channels may be far from transparent-national businesses again may need to balance national standards of business behaviour with international market expectations/requirements. Accept all valid responses.	

Question	Answer	Marks
6(b)	**Evaluate whether customer relationship marketing (CRM) is suitable for all small businesses.** There are 12 marks for Q6(b) 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge and understanding L2 K 1 mark for **limited** knowledge and understanding L1 K • CRM is concerned with forming long-term relationships/bonds with customers, rather than just with immediate sales – less transactional or hard selling – more about building emotional connections with customers • Customers are put at the centre of marketing strategies in an effort to create customer loyalty and retention through developing a unique bond with customers – especially through customers' data and feedback • The era of digital marketing has created opportunities for businesses of all sorts to succeed in the journey of relationship marketing	12

Question	Answer	Marks
6(b)	**AO2 Application** 2 marks for **developed** application/context L2 APP 1 mark for **limited** application/context L1 APP • Marketing no longer restricted to developing, selling, and delivering products and services. CRM sees this definition of marketing as too restrictive – effective marketing needs to be relationship orientated. • Investment into CRM systems is considered to be essential and more effective than transactional marketing for the long-term health of all businesses. • The marketing concept of using a relational software database to gather data on customer transactions for use in marketing and sales programmes has been developed and expanded into company-wide CRM systems – initially sophisticated technology orientated systems developed in/for large businesses to create, manage, and organise data in a way that drives sales and revenue through creating connections and long-term relationships. • More recently, small business CRM systems have been devised to enhance the small business customer experience with a focus on social relationships and personal care programmes that foster customer commitment and builds trust between a business and its customers. • Small businesses are often partnerships, sole proprietorships, or private limited companies • Have relatively small numbers of employees, relatively low annual revenue/turnover, few human resources, and low up-front capital (vary between ‘micro’ businesses with less than 10 employees/turnover less than £2m – ‘small’ businesses with 10–50 employees and £2–10m turnover, to MSE’s with 50–250 employees and £50–250m turnover)	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(b)</td><td>

AO3 Analysis

2 marks for **developed** analysis L2 AN

1 mark for **limited** analysis L1 AN

The benefits of CRM programmes are said to include the following: -

- The possibility of selling more – returning customers tend to purchase more than first-time customers as a consequence of a stronger relationship.
- CRM acts as an advertising method for a product – customers satisfied with a product leave good reviews and communicate to others positive experiences.
- Loyal customers created by CRM tend to purchase new and upcoming products due to positive experiences in the past – saving advertising costs.
- CRM forces a business and brand to focus on long-term goals rather than short-term success.
- CRM, in developing a personal relationship with the customer, helps create a viral positive one-to-one marketing.
- CRM provides opportunities to solve problems immediately -opportunity to repair product failures – problem-solving via the customer service communications to Twitter accounts or person visits

The limitations of CRM are said to include the following:

- The primary limitation is said to be cost – it leads to higher costs per individual customer, with no guarantee of a quick return.
- CRM software is often designed to meet the needs of large businesses – can be daunting for smaller businesses lacking the staff time and financial resources.
- Even simple CRM systems are expensive – investment costs are high – may be inaccessible to a small business.
- CRM raises the expectations of customers – time and resource consuming – it takes many transactions to establish a trusting relationship that garners results.
- CRM likely to require a significant change in business culture and employee roles – the change from a product centric business to a customer/client end user centric business is a demanding one – there may be resistance to change, e.g. IT moves from a customer supportive role to a customer enabling role.
- CRM may treat new customers as a secondary commodity – CRM focus is on retaining and supporting the current customer base – new customers could be overlooked or ignored.

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Question	Answer	Marks
6(b)	**AO4 Evaluation: Up to 6 marks for evaluation:**	

Developed/Supported judgement in context	L3 EVAL	6 marks
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks
Developed/Supported judgement without context	L2 EVAL	4 marks
Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks
Limited supported judgement	L1 EVAL	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark

- Judgements/conclusions/critical comments may be made at any point in an essay, not just in a concluding section.
- A judgement might be made that many small businesses are less likely to adopt a CRM approach due to the potential high investment costs, the time risks involved, the complexity of CRM programmes and the limited resource availability.
- A judgement may be made that potential benefits of a CRM programme/initiative outweigh the costs/risks/potential disadvantages.
- A judgement may be made that it all depends on the 'size' and resources of a 'small' business and the stage of development of the business so not all small businesses may rule out investment into CRM.
- Indeed a judgement may be made that a small business is ideally placed to really benefit from a CRM approach – a small business may be more accessible to the customer than a large one – the values, mission, vision clearer in a small business – close to the customer.
- A judgement may be made that CRM is a natural development of effective marketing and is relevant and essential for all businesses, including small businesses, and that inexpensive small business CRM systems are increasingly available (affordable cloud-based packages).
- A judgement might be made that the features and benefits of CRM are critical for all businesses – and that even non-commercial organisations, such as universities, are adopting CRM programmes in order to improve relationships with the students who increasingly assume the role of customers and expect to be heard, respected and satisfied.
- A judgement might be made that CRM is just one of the latest management fads and that effective businesses have always pursued customer relationships and enjoyed the trust and loyalty of customers/clients/end users without the adoption of expensive and trendy CRM systems.

Accept all valid responses.

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	**AO1 Knowledge and understanding** **2 marks**	**AO2 Application** **2 marks**	**AO3 Analysis** **4 marks**
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **May/June 2025**

1 hour 15 minutes

4716601762

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

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[Turn over

Section A

Answer **all** questions.

1 **(a)** Define the term *mission statement*. [2]

(b) Explain **one** disadvantage to a business of having corporate social responsibility (CSR) as a business objective. [3]

2 **(a)** Define the term *involuntary redundancy*. [2]

(b) Explain **one** way a business could use employee development to encourage multi-skilling. [3]

3 **(a)** Define the term *inventory re-order level*. [2]

(b) Explain **one** advantage to a business of holding buffer inventory. [3]

4 Analyse **one** reason why a business may use cost-based pricing. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** disadvantages to employees of an autocratic management style. [8]

(b) 'The contribution of managers to business performance in a hospital is less important than that of medical employees.'

Evaluate this view. [12]

OR

6 **(a)** Analyse **two** advantages to a business of using sale and leaseback of non-current assets as a source of finance. [8]

(b) 'The use of budgets is the most effective way to monitor the performance of a hotel.'

Evaluate this view. [12]

CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **May/June 2025**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Question	Answer	Marks
1(a)	**Define the term *mission statement.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding (2 marks) • A business statement/sentence/document (1) that sets out the purpose/goals/aims/values of a business (1), an example is often given – 'To be carbon neutral by 2030' (1) Partial understanding (1 mark) • What a business stands for (1) • The goals/values of a business (1) Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> disadvantage to a business of having corporate social responsibility (CSR) as a business objective.** There are 3 marks for this question – 1 mark for knowledge and understanding and 2 marks for application/explanation **Indicative content** Responses may include: **AO1 Knowledge and understanding –** 1 mark for identifying one disadvantage of CSR as a business objective • May add to business costs • May reduce profits • May result in stakeholder conflict • Business operations more transparent • Business may be deflected from bottom line objective • Competitors may take advantage **AO2 Application** 2 marks for a **developed** APP of **one disadvantage** of CSR as a business objective 1 mark for a **limited** APP of **one disadvantage** of CSR as a business objective • CSR objectives may well involve additional costs for a business – profit not the sole objective. • CSR objectives may well mean stakeholder conflicts – shareholders concern for maximum dividends versus management commitment to ethical suppliers. • CSR businesses are in the public eye and likely to be scrutinised for all that they do – subject to criticism over the smallest acts or operations. • CSR implies more accountability and responsibility and requires sustainable actions – rather than 'window dressing' PR campaigns. • Sustainable resources may be more expensive • CSR companies may lose sight of their fundamental commercial/economic role as business organisation Accept all valid responses.	3

Question	Answer	Marks
2(a)	**Define the term *involuntary redundancy.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding (2 marks) • An employer terminates the job of an employee (1), employees are selected for redundancy (1) and the employee has no choice in this decision (1) Partial understanding (1 mark) • An employee loses their job (1) • The job role is no longer needed (1) Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain one way a business could use employee development to encourage multi-skilling.** There are 3 marks for this question: 1 mark for K 2 marks for APP **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** way of using employee development to encourage multi-skilling • Training programmes • Offer job rotation • Offer job enlargement • Offer job enrichment • Motivate/pay employees to learn new skills • Provide rewards for employees that take up multi-skilling opportunities • Promote a learning culture in the business **AO2 Application** 2 marks for **developed** APP of the chosen way given 1 mark for **limited** APP of the way given • Specific training programmes that focus on giving employees the opportunity to cross the traditional trade-specific or craft-specific skill sets. • Develop a culture in a business that encourages and rewards employees who seize opportunities to extend their skills – a clear business objective to unlock employee potential.	3

Question	Answer	Marks
2(b)	• A consistent business focus on the need to update core skills to take advantage of a dynamic economic environment so that employees have a forward focus and expectation of change (threats and opportunities). • A business sees multi-skilling and upskilling as a critical workforce investment – HRM access and make available e-learning courses, virtual workshops – identify skill gaps and facilitate tailored learning pathways. • Develop a learning environment and link a focus on in-demand skills with career development opportunities to provide an incentive to develop skills employees want and the skills a business needs. Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term *inventory re-order level.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding (2 marks) • The level/quantity of inventory that triggers a new order to suppliers (2) Partial understanding (1 mark) • The time to re-order inventory (1) • A decision to replenish stock (1) Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain one advantage to a business of holding buffer inventory.** There are 3 marks for this question: 1 mark for K 2 marks for APP **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one** advantage of holding buffer inventory A term used in logistics that describes a level of extra stock that is maintained to mitigate risk or stockouts caused by uncertainties in supply and demand. • Avoid stockouts • Allow continuous production • Meet customer demands, including unexpected demands • Meet bulk orders • Avoid lost sales • Protect against fluctuations in demand/market • Helps if there is damage to parts of inventory **AO2 Application** 2 marks for **developed** APP of the **advantage** given 1 mark for **limited** APP of the **advantage** given • Adequate buffer stocks allow businesses operations to proceed according to plan.	3

Question	Answer	Marks
3(b)	• Protects against unforeseen variation in supply – supply chains are longer, more globalised with forces causing more frequent disruptions. • Compensates for forecast inaccuracies – a consistent demand changes suddenly – customer service is maintained through use of the buffer stock. • Avoids stockouts and keeps customer service and satisfaction levels high – keeps warehouse and supply chain running smoothly. • Allows a business to take advantage of bulk buying discounts and so reduce the cost of inventory. Accept all valid responses.	

Question	Answer	Marks
4	**Analyse one reason why a business may use cost-based pricing.** There are 5 marks for this question: 1 mark for K 2 marks for APP 2 marks for AN **Note: no marks can be awarded if a relevant reason is not given** **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **one reason** why a business may use cost-based pricing. A pricing method adopted by a business by which the selling price of a product is determined by adding a specific fixed percentage to the product's unit cost. • Especially useful to a new business – costs need to be covered with a small profit if possible • It is a simple method – simple to calculate and simple to implement • It ensures that all production costs are covered • It may ensure profitability • It may prevent loss • Transparent – easy for customers to understand • Easy to justify – make price adjustments to match cost increases, keeping prices low	5

Question	Answer	Marks
4	**AO2 Application** 2 marks for **developed** APP of the chosen **reason** 1 mark for **limited** APP of the chosen **reason** • A business may have a choice of pricing methods at any particular time – given market conditions and the position of the business (in terms of scale of development, operational/survival objectives), a decision is made to choose cost-based pricing as the most appropriate pricing method Low-cost food retailers use this strategy to maintain their competitive position – they are obsessed with controlling their costs and add a small margin. **AO3 Analysis** 2 marks for **developed** AN of the chosen reason 1 mark for **limited** AN of the chosen reason The decision to adopt cost-based pricing may be taken for the following reasons: • A business can price products consistently without a lot of market research – a simple approach to pricing where the full costs of a product are calculated and a margin is added for a specific desired profit level – avoids need to spend time on nuanced pricing strategies – appealing for a small business. • It is a reliable pricing method – it ensures a business is covering all costs and generating the desired returns (assuming accurate cost calculations) – it assists estimates of revenue within a specific timeframe. • It is a pricing method that is easy to understand – it involves very few components – explanation of price increases to customers does not require a complicated explanation. • It requires little information relating to customer expectations, competitor pricing, or market demand – if a business has no competitors and no similar products in the market, cost-based pricing ensures a business prices according to company objectives and reflects the costs incurred to produce an item – the only data needed for cost-plus pricing are company costs and desired profit margins. Accept all valid responses	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>Analyse <u>two</u> disadvantages to employees of an autocratic management style.

There are 8 marks in total for Q5(a)
4 marks for each of the two disadvantages of an autocratic management style to employees

These 4 marks consist of

1 mark for K

1 mark for APP

2 marks for AN

NOTE: This question asks for disadvantages to employees not the business. However, managers are employees and any disadvantages e.g. stress related to managers must be accepted as relevant answers. This is particularly significant when rewarding analysis.

Indicative content

Responses may include:</td><td></td></tr>
</table>

Question	Answer	Marks
5(a)	**AO1 Knowledge and understanding** 1 mark for K identifying **one disadvantage** • Leads to low employee morale • Prevents creativity and innovation in employees • Can lead to resentment and resistance among employees • Over dependent on managers/leaders • Employees feel undervalued • Employees disengaged • Lack of opportunity for employees • Likely repetitive tasks, low skills, low wages for employees • Lack of trust of employees • Employees/managers under pressure to produce more – stress **AO2 Application** 1 mark for APP of the chosen **disadvantage** • A choice of management style considered by many as outdated and inappropriate for modern organisations – with regard to the expectations and aspirations of employees. • Can lead to Theory X culture – lack of trust – micromanagement and the effect on employees • Can lead to low productivity and disenchantment of employees • Employee environment is one of conflict between management and employees, causing stress on employees	

Question	Answer	Marks
5(a)	**AO3 Analysis** 2 marks for **developed** AN of the chosen **disadvantage** 1 mark for **limited** AN of the chosen **disadvantage** • Strict supervision associated with autocratic management can be de-motivating – micromanagement stifles creativity and creates a lack of trust between employees and managers. • Can create a high-pressure working environment where productivity levels might well decline – employees treated simply as production units – leading to stressed, pressured and overwhelmed employees. • There is unlikely to be a culture of feedback – an autocratic manager seeks to speed up the decision-making process – results in less creativity and innovation among frustrated employees – this lack of creativity and innovation can result in slower business growth. • Employee morale can be low as a result of autocratic management – employees feel undervalued, participation is not required and recognition rarely given – autocratic managers may well take the credit for work performed collectively. • Managers are employees and may well suffer if required to act in an autocratic management style or working environment – they take the brunt of pressure causing them stress, pressure and burn out. Accept all valid responses.	8

Question	Answer	Marks
5(b)	**'The contribution of managers to business performance in a hospital is less important than that of medical employees.'** **Evaluate this view.** There are 12 marks for **Q5(b)** 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **NOTE:** Some candidates may well refer to their experience of hospitals being private hospitals run for profit and will assess the role of managers and medical employees in that context. This is a relevant and acceptable response and should be marked accordingly **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge and understanding L2 K 1 mark for **limited** knowledge and understanding L1 K • Traditionally, managers viewed as responsible for planning, organising, directing, and controlling in organisations (Fayol). More modern theorists (Mintzberg) see managers with more informal roles associated with 'softer' responsibilities relating to employees within business organisations.	**12**

Question	Answer	Marks
5(b)	• Business performance generally perceived in terms of the ability to make best use of resources to achieve objectives. This broad definition in business practice developed to describe business achievements measure by a number of metrics known as Key Performance Indicators (KPIs), such as profitability, productivity, and service user satisfaction. • Medical employees are people who work within the hospital. **AO2 Application** 2 marks for **developed** application/context L2 APP 1 mark for **limited** application/context L1 APP • Hospitals (private and publicly owned) increasingly seen as having fundamental business/organisational imperatives such as effective resource allocation and utilisation – hence the increasing role and function of managers in these organisations. • The influence of new technology, new health solutions, new drugs and new drug approaches, increased accessibility of hospitals, and ageing populations, has placed a focus and emphasis on the ned for health-serving organisations to perform efficiently and effectively. • Doctors and nurses in a health service or hospital are considered to be those who are responsible for the diagnosis, care and treatment of illnesses, diseases, infections and well-being of patients. **NOTE:** The context here is a Hospital and explicit reference to hospital activity is required if APP marks are awarded for example reference to such activities as operations, treatment, surgery or reference to the hospital service or medical employees is insufficient. • Using the results of this 'learning environment' to recommend 'state of the art' medical instruments, new technologies – to ensure appropriate levels of investment in medical equipment.	

Question	Answer	Marks
5(b)	**AO3 Analysis** 2 marks for **developed** analysis L2 AN 1 mark for **limited** analysis L1 AN Contribution of **managers** to the business performance of a hospital might include: • The development and communication of clear organisation/healthcare goals, objectives and strategies – throughout the organisation and to external stakeholders. • The development of efficient organisation/team structures and associated responsibility assignments and delegated authority – operational clarity a priority supporting effective productivity and outcomes. • The recruitment, training and support given to produce a 'fit for purpose' set of employees – resulting in a productive culture and a morale-boosting working environment. • Appropriate investment in medical machines and instruments that will equip a highly skilled pool of employees to deliver an agreed quality of health care. Contribution of **medical employees** to the business performance of a hospital might include: • The development of appropriate healthcare goals, objectives and strategies appropriate to local health concerns, and within resource availabilities – allowing relevant activity focus within professional groupings. • The adoption of relevant professional structures, teams, and specialised approaches (including cross-professional project groups) to ensure that medical experience and expertise is appropriately organised to stimulate creativity and innovation-supported health care services. • To ensure a 'learning environment' is developed within the organisation so that medical practitioners are at the cutting edge (no pun intended!) of medical practice – encouragement of research, training and development, attendance at conferences, writing of papers etc. • Using the results of this 'learning environment' to recommend 'state of the art' medical instruments, new technologies – to ensure appropriate levels of investment in medical equipment	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(b)</td><td>

AO4 Evaluation: Up to 6 marks for EVALUATION:

<table>
<tr><td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr>
<tr><td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr>
<tr><td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr>
<tr><td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr>
<tr><td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr>
<tr><td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr>
</table>

Any judgements/conclusions/evaluative comments can be made at any point in an essay, not just in a concluding section.
A supported judgement is made that either managers or medical employees are the more/less significant contributors to business performance of a hospital.
Although there are professional divisions between health practitioners, there has been an increasing tendency to see health care as an holistic organisational objective with a review of roles that has led to a reduction in professional barriers and boundaries.
A judgement might be made that the contribution of managers/medical employees is very much dependent on the level of competence/expertise/experience of each category at any one point of time.
Might the contribution of each category depend on the stage of development of a hospital? A newly built hospital in the early stages of operation might very well depend upon efficient managers rather than medical employees in order to get the hospital set up effectively.
A judgement might be made that the business performance of a hospital requires managers and medical employees to work together and it is simplistic to see either group as more important/significant.
A judgement could be made that managers may get in the way of medical employees (bureaucracy) and negatively affect business performance – or alternatively, that medical employees are so protective of their supposed superior roles and expertise that they ignore the advice of managers and operate in such a way as to waste scarce resources and so reduce business performance.

Accept all valid responses.

</td><td></td></tr>
</table>

Question	Answer	Marks
6(a)	**Analyse <u>two</u> advantages to a business of using sale and leaseback of non-current assets as a source of finance.** There are 8 marks in total for Q6(a) 4 marks for each of the two advantages of using sale and leaseback of non-current assets as a source of finance. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 K mark for identifying **one** advantage • May unlock more funds than conventional sources of finance • Provides a quick cash injection • Avoids borrowing costs • Helps to avoid/reduce debt • Get cash but still retain full use of asset • No maintenance costs • Good option for a business in difficulty • May support expansion/growth When lease ends payments end and there is an opportunity to immediately acquire latest advanced equipment – no assets to dispose of.	8

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(a)</td><td>
AO2 Application

1 mark for APP of the chosen advantage

• Sale and leaseback allows a business to free up capital that has been invested in an asset and to use the monies raised in more profitable and immediate uses – an alternative form of finance
• Capital raised can be used in more profitable and immediate ways
• Provides an alternative form of finance
• Gives more flexibility for financial needs
• For example if a bakery decides to sell and lease back its oven the leasing company will take over the repair and maintenance costs

AO3 Analysis

2 marks for developed analysis of the chosen advantage L2 AN

1 mark for limited analysis of the chosen advantage L1 AN

• It converts non-current assets into capital without the need to lose control of the asset – and so provide capital to purchase additional assets – in the case of a manufacturer the sale and leaseback of a building could supply finance to purchase the latest cutting-edge machines.
• It avoids costs traditionally associated with conventional debt financing – for real estate transactions costs such as valuation and bank fees are avoided – sale-leaseback arrangements may well offer more flexible lease terms than a traditional lease, mortgage, or bank loan agreement. The lessee and lessor can set their own lease lengths and lower interest payments.
• A business may have the opportunity to list the leased asset as an operating expense rather than a liability on the balance sheet – having fewer liabilities gives a business more eligibility to increase borrowings.
• It can reduce risk to a business – owning freehold property, for example, comes with its own risks, such as property price fluctuations – new/struggling businesses may want to avoid such price fluctuation.
• It increases liquidity – the injection of cash can be used to find new ventures and/or pay off outstanding debts and so improve the debt-to-equity ratio of the business.

Accept all valid responses.
</td><td></td></tr>
</table>

Question	Answer	Marks
6(b)	**'The use of budgets is the most effective way to monitor the performance of a hotel'.** **Evaluate this view.** There are 12 marks for **Q6(b)** 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge and understanding L2 K 1 mark for **limited** knowledge and understanding L1 K • Budget is a quantitative expression of a plan of action over a specific period of time – it predicts revenues and expenditures – may include cash flows, revenues, liabilities, planned scale volume and other costs. • Budgets need to provide controls and restraints – an analytical tool to reveal actual financial performance – return on assets with planned performance. • Budgets are tools of financial management and control – set out specific expectations of results and so provide a standard to be used for performance evaluation. • Business performance generally refers to making best use of resources to achieve corporate objectives, which may be economic or social, measured by a number of metrics – Key Performance Indicators (KPIs) such as profitability, productivity, market share, customer satisfaction.	12

Question	Answer	Marks
6(b)	**AO2 Application** 2 marks for **developed** application/context L2 APP 1 mark for **limited** application/context L1 APP • Hospitality sector businesses, such as hotels, focus on providing accommodation, food, and conference planning – profit maximisation is the fundamental goal, which requires resource allocation and management to be properly planned and controlled. • Hotels, as with other commercial businesses, seek a return on assets and have specific performance targets, such as revenue per available room, average occupancy rate, profit/loss on food offers. Financial performance measures are used to reveal the extent to which 'bottom line' targets are met but they also act as essential support methods to ensure that qualitative objectives, such as sustained customer satisfaction, are achieved. **AO3 Analysis** 2 marks for **developed** analysis L2 AN 1 mark for **limited** analysis L1 AN Budgets provide ways to monitor and control business performance in the following way: • Budgets provide a set of financial targets related to specific objectives agreed in order to achieve corporate business goals – provide a framework and a discipline to those working in the business and a standard of assessment relating to those targets. • Budgets provide the discipline to ensure resources are allocated as agreed and provide indicates when analysed of variation/deviations – evidence of which provides effective evidence of the extent to which business performance is acceptable or needs amendment or adjustment. • Budgets provide a structured plan which can lead to better decision-making and goal achievement – provides financial stability and guidelines essential for assessing business performance – budgets provide a set of strategic plans of action which check and control decisions. • Budgets provide a basis for the evaluation of goals and policies – which can lead to further decisions on spending – budgetary tracking of progress is a measure of monitoring and controlling of performance. • Budgets are systematic and organised – providing appropriate management information the continuing performance of business sectors – a systematic and organised set of financial measures to assess the effectiveness of the plans and actions of the business.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6(b)</td><td>
Budgets provide a business the ability share its operational process and budgetary process with important shareholders such as a governing body – board of directors – provide status updates on performance to investors.
AO4 Evaluation: Up to 6 marks for evaluation:
<table>
<tr><td>Developed/Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr>
<tr><td>Developed/Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr>
<tr><td>Developed/Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr>
<tr><td>Developed/Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr>
<tr><td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr>
<tr><td>An attempt to balance the arguments/Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr>
</table>

Judgements/conclusions/critical comments may be made at any point in an essay, not just in a concluding section.
Judgement may be made that while budgets have the potential to provide an effective way to monitor and control the performance of a business it does depend on the rigour and robustness of the budgets used – data may be defective; assumptions and targets may be unrealistic.
It might be concluded that budgets are only one of a range of financial performance measures, such as value chain analysis, benchmarking and cost optimisation and should be seen as part of a package of accounting techniques and their importance assessed as such.
A judgement might be made that in order to capture the full picture of hotel performance the reliance on quantitative financial measures such as budgets could be misleading – traditional performance measures such as budgets taken in isolation may provide misleading signals.
It might be concluded that organisations today need more holistic performance measures to give a more representative impression of an hotel's performance – e.g., is the hotel providing service excellence – does it embrace innovation – does it take health and safety seriously (Covid 19 challenges).

</td><td></td></tr>
</table>

Question	Answer	Marks
6(b)	• It might be concluded that the use of budgets and resulting financial metrics, while important, does not necessarily provide the most effective way to monitor and control hotel performance – a more balanced scorecard approach is more appropriate for organisation and hotels today. Accept all valid responses.	

Mark Grids for Section B

<u>Used for Q5(a) and Q6(a)</u>

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

<u>Used for Q5(b) and Q6(b)</u>

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Business Concepts 1 **May/June 2025**

1 hour 15 minutes

4117896317

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

DC (JP) 346207/1

Section A

Answer **all** questions.

1 **(a)** Define the term *motivation*. [2]

(b) Explain **one** benefit to a business of motivated employees. [3]

2 **(a)** Define the term *incremental budgets*. [2]

(b) Explain **one** advantage to a business of using variance analysis. [3]

3 **(a)** Define the term *Just in Time (JIT)*. [2]

(b) Explain **one** disadvantage to a business of using Just in Time (JIT). [3]

4 Analyse **one** advantage to a business of using mass marketing. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** benefits to a business of using break-even analysis. [8]

(b) Evaluate whether cash flow forecasting is the most important activity for the success of a fashion clothing manufacturer. [12]

OR

6 **(a)** Analyse **two** advantages to a business of making ethical decisions. [8]

(b) 'Employees are the most important stakeholder group in a primary sector oil and gas business.'

Evaluate this view. [12]

CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Business Concepts 1 **May/June 2025**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✓ ✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	**0**	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *motivation.*** **Indicative content** **AO1 Knowledge and understanding** Clear understanding **A clear definition that merits 2 marks should include reference to two out of the following three 1-mark responses (an acceptable definition will NOT use the word '*motivate'*)** • The factors-such as stimulate, encourage, interest, leading to the desire of employees (1) providing a willingness to work, to work harder, to perform well, to achieve something, a goal/task or objective, become more efficient, more satisfied (1) with incentives such as money, promotion, job enrichment/rotation (1) Partial understanding • Why employees work hard (1) Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain one benefit for a business of motivated employees.** There are 3 marks for this question: 1 mark for K 2 marks for APP **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark K for identifying **one** BENEFIT for a business of motivated employees • Lower absenteeism • Better workplace culture • Employees work harder • Lower labour turnover • Employees more productive • Business objectives more likely to be achieved • Better customer service • Greater creativity/innovation (motivated employees more likely to challenge, explore more creative options and collaborate with colleagues) • Improved work relationships- more likely to accept change and less likely to take industrial action • Positive business reputation- motivated employees more likely to speak highly of the business • Higher sales- more profit	3

Question	Answer	Marks
1(b)	**AO2 Application** 2 marks for **developed** APP of the benefit given 1 mark for **limited** APP of the benefit given • Disruption caused by absent employees is reduced • Positive work environment • Recruitment and training costs for the business are reduced • Better quality products or services due to more care being taken – a good standard of work – happier customers • Employees will match their personal objectives with those of the business. • Improved customer satisfaction leading to increase in repeat customers – less complaints – better reviews Accept all valid responses.	

Question	Answer	Marks
2(a)	**Define the term *incremental budgets.*** **Indicative content** **AO1 Knowledge and understanding** Clear understanding • Incremental budgeting is a budgeting process that involves developing a budget by making adjustments/changes to an existing or previous budget (2) Partial understanding • Setting this year`s budget based on last year`s budget (1) Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> advantage to a business of using variance analysis** There are 3 marks for this question: 1 mark for K 2 marks for APP **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark K for identifying **one** advantage of using variance analysis • Gives a business more control • Clarifies accountability in a business • Improves accuracy of budgets • Improves financial decision making • Identifies areas for improvement. • Allows business to compare their estimated costs with their actual costs • Allows planning • Shows how to allocate resources • More effective strategy	**3**

Question	Answer	Marks
2(b)	**AO2 Application** 2 marks for **developed** APP of the advantage given 1 mark for **limited** APP of the advantage given • Highlights areas of business needing attention • Helps in assessing management performance • Identifies potential problems early • Helps to monitor financial performance • Helps a business to budget more accurately in the future • Helps managers to respond to adverse or favourable variances • Identifies areas of over/under spending and spending not authorised • May lead to improved business efficiency • Helps to monitor success and failure • Helps to identify areas of underperformance • Helps strategic decisions/better planning • Provides fast financial information Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term Just in Time (JIT).** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Clear understanding **NOTE:** A clear definition that merits two marks should include reference to two out of the following three 1 mark responses: • The management of inventory (1) that ensures that new inventory arrives just when needed (1) removes the need for inventory to be held in storage until it is needed (1) Partial understanding • Where inventory is kept low (1) Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain <u>one</u> disadvantage to a business of using Just in Time (JIT).** There are 3 marks for this question: 1 mark for K 2 marks for APP **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark K for identifying **one** disadvantage of using JIT • Production process can be delayed when supplies do not arrive or are late • Frequent small deliveries needed • More planning ahead with suppliers required • Small orders need to be processed • Suppliers need to be reliable • Could be expensive • No discounts for bulk orders- no economies of scale • Unable to respond to unexpected customer demand • Can lead to stockouts	3

Question	Answer	Marks
3(b)	**AO2 Application** 2 marks for **developed** APP of the disadvantage given 1 mark for **limited** APP of the disadvantage given • Any failure to receive supplies or components on time – could lead to production delays. • Frequent small deliveries – could lead to an increase in delivery costs. • Small orders need to be processed – administration costs may rise. • Each order is likely to be small – lose out on bulk discounts. • Suppliers need to be reliable – if not could affect reputation • Could be expensive to implement for small firms – increase costs • May require investment in new technology • Could lose sales/ revenue/profit Accept all valid responses.	

Question	Answer	Marks
4	**Analyse <u>one</u> advantage to a business of using mass marketing.** There are 5 marks for this question: 1 mark for K 2 marks for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for K identifying one advantage to a business of using mass marketing • Business may secure economies of scale • Mass marketing may ensure cost effectiveness in business operations • Opportunity to secure significant sales • Opportunity to build and develop a brand • Opportunity to build and develop the business	**5**

Question	Answer	Marks
4	**AO2 Application** 2 marks for **developed** APP of the chosen advantage. 1 mark for **limited** APP of the chosen advantage. • Economies of scale – unlike niche marketing • Cost effective – when used to advertise products • Mass marketing campaigns can reach a large audience – via several channels. • Appeals to the total population – lead to more sales. • Can increase brand awareness – via several channels • Can save time with marketing campaigns – as don't have to create new campaign for each different segment **AO3 Analysis** 2 marks for **developed** AN of the chosen advantage 1 mark for **limited** AN of the chosen advantage • Economies of scale can enable substantially lower average costs of production – increase profit margin. • The ability to target the whole market could lead to huge sales – and profits. • Brand awareness could become global – could lead to becoming market leader. • Time saved on marketing campaigns could be used in other ways to increase business efficiency. • Less prone to changing tastes – so a change in consumer buying habits may not impact sales. Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> benefits to a business of using break-even analysis.** There are 8 marks in total for **Q5(a)** 4 marks for each of the two benefits given. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for K identifying **one** benefit of using break-even analysis. • Provides crucial insights for business decisions • Provides information for a range of important business decisions • Shows whether a product is worth selling or too risky- such as new products, pricing, costs and production levels • Shows the amount of revenue a business will make at different levels of output • Assists in evaluating investment plans/decisions • Helps to analyse costs • Calculations are quick/easy • Helps set pricing strategy • Supports setting targets	8

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>AO2 Application

1 mark for APP of a one benefit.

• The use of break-even analysis in a business -indicates production volume required to cover costs/make profits
• Allows informed decisions to be made on: Pricing
• Cost management
• Production levels
• Overall business strategy
• Relatively easy to calculate and understand – great for quick estimates.
• Used to assist managers in decision making – location, equipment, projects.
• The break-even analysis can be used in business plans to support loan applications
• Really useful when launching new products or entering new markets

AO3 Analysis

2 marks for developed AN of one benefit

1 mark for limited AN of one benefit

• Break-even analysis can give a business an idea of whether the product is likely to be successful by analysing the costs involved and likely revenues.
• The level of output for a desired level of profit can be determined
• A break-even chart indicates the margin of safety. If the margin of safety is too low the business might reconsider its product(s)
• Break even analysis can be used to assist managers when making important decisions such as location decisions, whether to buy new equipment, or invest in a project – so reduces the risk to the business.
• A business might see that if a certain level of profit is to be achieved, costs might have to be reduced to make it possible
• A change in price might also be indicated. If the desired profit is not achieved, then the price of the product might have to be increased.

Accept all valid responses.

The AN marks are recorded in the 5(a) AO3 box</td><td></td></tr>
</table>

Question	Answer	Marks
5(b)	**Evaluate whether cash flow forecasting is the most important activity for the success of a fashion clothing manufacturer** There are 12 marks for **Q5(b)** 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge and understanding L2 K 1 mark for **limited** knowledge and understanding L1 K • Cash flow forecasting-the process of obtaining an estimate/forecast of a business's future cash position – anticipated payments and receivables in a given period of time • Clothing manufacturers convert raw materials into finished garments • Success may be measured in terms of quality of clothing, customer satisfaction, level of clothes purchased, reputation established, health of financial position, level of profit, amount of time in business.	12

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(b)</td><td>AO2 Application/Context

2 marks for developed application/context L2 APP

1 mark for limited application/context L1 APP

• Success of a fashion clothing manufacturer very much concerned with following/creating the latest trends, fashions/fads in clothing, keeping pace with the latest fashion house changes in a range of different clothing items.
• Fashion clothing manufacturers produce a variety of clothes such as trousers, skirts, dresses, jumpers, T-shirts. casual wear, evening wear, summer ware etc
• Use different materials-cotton, wool, leather
• Creativity/innovation in clothing design work

AO3 Analysis

2 marks for developed analysis L2 AN

1 mark for limited analysis L1 AN

• A CFF can provide an early warning system for a business – future shortfalls in cash balances – allows a business to take informed business decisions, such as overdraft provision or short-term loan
• If a business runs out of cash, it may face insolvency. A CFF can indicate the correct time to take action.
• CFF enables a business to track expected cash movements over a period of time in the future – provides a degree of certainty in possible turbulent times – allows well planned decisions to be made
• CFF is a strategic tool for a new business – gives information for development of plans for survival and growth
• A cash flow forecast may be useful for external stakeholders – such as banks, may want to look at CFF at regular intervals in order to support a business plan.</td><td></td></tr>
</table>

Question	Answer	Marks
5(b)	**AO4 Evaluation** **AO4 Evaluation: Up to 6 marks for evaluation:** Developed/Supported judgement in context — L3 EVAL — 6 marks Developed/Reasonable evaluative comments in context — L3 EVAL — 5 marks Developed/Supported judgement without context — L2 EVAL — 4 marks Developed/Reasonable evaluative comments without context — L2 EVAL — 3 marks Limited supported judgement — L1 EVAL — 2 marks An attempt to balance the arguments/Weak attempt at evaluative comments — L1 EVAL — 1 mark *A judgement/conclusion is made as to the importance of cash flow forecasting for the success of a new restaurant. Such judgements/conclusions may be made at any point in the essay, not only in a concluding section.* • A judgement is made as to whether activities other than CFF could/should be considered as important or more important in affecting a new clothing manufacturer's ability to succeed. • A judgement is made as to what is meant by success and when to take the measure • Alternative measures of success are judged to be – perception of the quality of the clothes – brand image – desirability of clothes – strength/weakness of the economy – ability to react to changes in trends – retailer/supplier relationships • A judgement is made regarding the significance of cash control and CFF for a new clothing manufacturer in relation to other factors. • Is CFF as important as market research or monitoring trends and fashions in clothing? Accept all valid responses. **NOTE: The marks for 5(b) are recorded in the mark input column on the right-hand side of the screen.** **K marks are entered in the 5b AO1 box** **APP marks are entered in the 5b AO2 box** **AN marks are entered in the 5b AO3 box** **EVAL marks are entered in the 5b AO4 box**	

Question	Answer	Marks
6(a)	**Analyse <u>two</u> advantages to a business of making ethical decisions.** There are 8 marks in total for Q6(a) 4 marks for each advantage given. These 4 marks consist of 1 mark for K 1 mark for APP 2 marks for AN **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for K identifying **one** advantage • Enhanced business reputation • Increased employee morale • Improved customer trust/loyalty • Mitigate legal risks/pressure group criticism • Positive social impact • May give competitive advantage • Ensures long term sustainability • Ensures business success • Attracts more investors • Government support • Higher sales • Attracts employees • Reduce costs • Reduce conflict between employees	**8**

Question	Answer	Marks
6(a)	**AO2 Application** 1 mark for APP of the chosen way. Repeat this for the chosen advantage • Paying fair/living wages – not employ child labour • Committing to sustainability – reduce carbon footprint, recycle, energy efficiency • Using Fairtrade suppliers – pay fair price for goods • Reducing workforce without layoffs – through consultation with unions • Reduce pollution – use more eco-friendly machines • Limit advertising to children/parents – 'pester power' • Not take bribes – written into code of conduct • Investors feel that their money is being used in a responsible way **AO3 Analysis** 2 marks for **developed** analysis of the chosen analysis L2 AN 1 mark for **limited** analysis of the chosen analysis L1 AN • Can lead to good publicity and brand image/usp – customers may become loyal • Attract ethical customers – a potentially increasing customer base in today's market • Ethical businesses are more likely to be awarded government contracts – increase revenue • Well qualified staff may be attracted to work for businesses who are the most ethical – competitive advantage. • Fosters a culture of fairness and respect within the business – help reduce labour turnover and increase efficiency. • Improves the public image of the business – people want to work there, customers want to purchase goods, investment • Improves the bottom line of the business – loyal customers – increased profits • Appeals to shareholders as there is a growing number of ethical investors – greater investment Accept all valid responses.	

Question	Answer	Marks
6(b)	**'Employees are the most important stakeholder group in a primary sector oil and gas business.'** **Evaluate this view.** There are 12 marks for Q6(b) 2 marks for K 2 marks for APP 2 marks for AN 6 marks for EVAL **Indicative content** Responses may include: **AO1 Knowledge and understanding** 2 marks for **developed** knowledge and understanding L2 K 1 mark for **limited** knowledge and understanding L1 K • Stakeholders are persons who have an interest in/are affected by a business, such as owners, shareholders, customers, suppliers, employees, local communities, government, special interest groups • Primary sector oil and gas businesses exist in the energy sector and often span many countries with huge revenues and profits. • They engage in the exploration and extraction of oil and gas.	**12**

Question	Answer	Marks
6(b)	**AO2 Application** 2 marks for **developed** application/context L2 APP 1 mark for **limited** application/context L1 APP • Employees are important as they provide skilled labour and without them the business would not be able to operate and make profits. • Employees ensure new sites are found, oil and gas is extracted efficiently and safely. • Primary sector oil and gas industries can be dangerous and risky- health and safety policies needed to protect employees • Oil and gas sector produce energy services to power vehicles, heat homes and manufacture steel • Sold to petrol/gas stations **AO3 Analysis** 2 marks for **developed** analysis L2 AN 1 mark for **limited** analysis L1 AN • If the workforce is unhappy about a change in work practices though it might reduce costs in the short run, it may be detrimental if a demotivated workforce affects the quality of production. • If there is strong trade union membership then strike action may occur if demands are not met – this would affect image, stop production, delay deliveries. • Good relationships with employees would improve morale and motivate – lead to improved productivity and lower staff turnover • Skilled employees ensure that the business is able to locate and extract the raw materials (oil) thus ensuring sales revenue and profits.	

Question	Answer	Marks
6(b)	**AO4 Evaluation: Up to 6 marks for evaluation:**	

Developed/Supported judgement in context	L3 EVAL	6 marks
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks
Developed/Supported judgement without context	L2 EVAL	4 marks
Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks
Limited supported judgement	L1 EVAL	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark

A judgement/conclusion is made as to the view that the main reason for new business failure is the pursuit of growth too quickly. Such judgements/conclusions may be made at any point in the essay, not just in a concluding section.

- A judgement is made that there are a number of factors that impact on the importance of employees as stakeholders such as how strong trade unions are, how skilled they are and how easy it is to find new employees.
- If employees are easy to recruit i.e. unemployment is high, then employee's importance might not be too significant.
- Business might place more importance on keeping shareholders happy with dividends.
- A judgement is made that most businesses need to balance the needs of all stakeholders for a successful business especially a business as large and complex as those in the oil and gas primary sector.
- A judgement is made that in the modern era local communities are more willing to protest if their local community will potentially be polluted and the resulting negative impact in the news. This however may depend on which country the business is operating in.
- A judgement is made that pressure groups are becoming more visible and any business would be foolish not to take them seriously as the impact on brand image and the ability to operate can be significant especially in light of global warming.
- A judgement is made to that very often compromises need to be made in business with negotiations occurring with all stakeholder groups.
- How important are other stakeholders such as shareholders, local communities, suppliers, governments?

Accept all valid responses.

Mark Grids for Section B

<u>Used for Q5(a) and Q6(a)</u>

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/11**

Paper 1 Business Concepts 1 **October/November 2025**

1 hour 15 minutes

2381738900

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

DC (DE) 341667/2

Section A

Answer **all** questions.

1 **(a)** Define the term *public sector*. [2]

(b) Explain **one** benefit to a business of having a business plan. [3]

2 **(a)** Define the term *liquidation*. [2]

(b) Explain **one** external source of finance for a business. [3]

3 **(a)** Define the term *labour productivity*. [2]

(b) Explain **one** way that a business can improve labour productivity. [3]

4 Analyse **one** benefit to a business of low labour turnover. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** benefits to a business of using a vertical merger for growth. [8]

(b) 'Risk-taking is the most important quality needed by an entrepreneur to be successful in the clothing design industry.'

Evaluate this view. [12]

OR

6 **(a)** Analyse **two** benefits to a business of using a Boston Matrix. [8]

(b) 'Packaging is the most effective promotion method for a fast-food business.'

Evaluate this view. [12]

CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/11**

Paper 1 Short Answer/Essay **October/November 2025**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **32** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1✓ where appropriate in the answer
No creditable response.	**0**	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *public sector*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • organisations accountable to and run/owned/controlled by central or local government (the state) (2) • the part of the economy composed of both public services and public enterprises; may be supported by examples e.g. police or medical services (2) • the sector in which goods and services are provided by the state/government (2) Clear understanding of the term *public sector* is worth 2 marks. This is indicated by 2 ticks ✓✓ . **PARTIAL UNDERSTANDING (1 mark)** • businesses which are not controlled by private individuals/not in the private sector (1) Partial understanding of the term *public sector* is worth 1 mark. This is indicated by 1 tick ✓ . Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> benefit to a business of having a business plan.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **1 mark for identifying ONE BENEFIT of having a business plan** • provides a clear plan/goal/guidance for the future • forces critical consideration of business • encourages market research • helps obtain finance • increases motivation • minimises risk of uncertainty • helps to measure success of the business against targets **AO2 Application** **2 marks for DEVELOPED application/explanation of the benefit given** **1 mark for LIMITED application/explanation of the benefit given** • increases chances of success/reduces risk of failure by anticipating problems e.g. financial/supply/staffing • includes a detailed view of the potential customers, competitors and external environment • sets objectives and co-ordinates all parts/departments of the business to meet them • gives investors/banks the confidence that the business can repay the money/make profit • helps the employees stay focussed on the objectives and see progress Accept all valid responses	**3**

Question	Answer	Marks
2(a)	**Define the term *liquidation*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • process of selling off assets to repay debts/creditors (2) • selling assets to settle liabilities (2) • when a business ceases trading and its assets are sold for cash to pay suppliers and other creditors (2) Clear understanding of the term *liquidation* is worth 2 marks. This is indicated by 2 ticks ✔✔. **PARTIAL UNDERSTANDING (1 mark)** • selling assets (1) • dissolution of a business (1) **NOTE**: *do not accept bankruptcy.* Partial understanding of the term *liquidation* is worth 1 mark. This is indicated by 1 tick ✔. Accept all valid responses.	2

Question	Answer	Marks
2(b)	**Explain <u>one</u> external source of finance for a business.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **1 mark for identifying ONE external source of finance for a business.** • bank loans • share capital • debentures • new partners • venture capital/private investment • bank overdrafts • leasing • hire purchase • mortgages • debt factoring • trade credit • micro-finance • crowd funding • government grant	3

Question	Answer	Marks
2(b)	**AO2 Application** **2 marks for DEVELOPED application/explanation of ONE source of finance.** **1 mark for LIMITED application/explanation of ONE source of finance.** • borrowing money from a bank and paying it back in instalments, including interest, over an agreed period of time • raising money by selling a share of the business to investors who then have voting rights and receive a dividend • a long-term loan with a fixed interest rate where investors do not have voting rights but do receive the interest payment • allowing new partners to buy into the business, providing more money and expertise; will require a share of the profit • investors provide a mix of loan and share capital to a business which has a high risk of failure; want a return of partial ownership and control plus dividend on profits • short term finance allowing a business to borrow up to an agreed limit for as long as it wishes but interest must be paid • renting non-current assets for an agreed period of time, without owning them • buying non-current assets in instalments over an agreed period of time, owning the asset once the final payment is made • long term loans for the purchase of land and buildings, with the land or building used as collateral (security) • selling unpaid invoices to financial institutions to gain immediate cash; there is a fee to be paid for this service • short term finance – interest free loan from suppliers, with agreement to pay for goods/services within agreed time period after receiving invoice • transfer of money from high income earners (individuals/countries) to low-income earners to develop business activities • collecting a small amount of money from a large number of supporters, which may be a donation or a loan • money from government to support business activity which benefits the country – jobs, production, R and D, competitiveness Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term *labour productivity*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • the ratio of outputs to labour input during production (2) • output per worker (2) • $=\frac{\text{Total output}}{\text{Number of employees}}$ (2) Clear understanding of the term *labour productivity* is worth 2 marks. This is indicated by 2 tic✓✓ . **PARTIAL UNDERSTANDING (1 mark)** Partial understanding of the term *labour productivity* is worth 1 mark. This is indicated by 1 ti✓ . • output of labour/workforce (1) • how much employees are able to do/how productive workers are (1) Accept all valid responses.	2

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>3(b)</td><td>
Explain <u>one</u> way that a business can improve labour productivity.
Indicative content
Responses may include:
AO1 Knowledge and understanding
1 mark for identifying ONE WAY that a business can improve labour productivity.

motivate employees
train employees
employ experienced workers
increase hours worked
change way work is done
invest in equipment and technology

AO2 Application
2 marks for DEVELOPED application/explanation of ONE way
1 mark for LIMITED application/explanation of ONE way

effort and productivity may increase if employees are offered financial or non-financial rewards – they may feel more valued and work harder e.g. piece rate pay
training/experience increases employee output by helping them to gain more skills and learn new and better ways of doing things
working more hours may mean an individual employee could produce more products i.e. increase their own total output
team working, altering the layout of the workplace, implementing employee recommendations on how they could work more effectively could improve the speed of production and productivity
if employees have modern and more efficient machinery, they should be able to have higher output than employees who are using outdated equipment. (NOTE: suggesting replacing employees with machines to improve business productivity is not answering the question)

Accept all valid responses.
</td><td>3</td></tr>
</table>

Question	Answer	Marks
4	**Analyse <u>one</u> benefit to a business of low labour turnover.** *Note: no marks can be awarded if a relevant benefit is not given* **Indicative content** Responses may include: **AO1 Knowledge and understanding** **1 mark for identifying ONE BENEFIT to a business of low labour turnover** • retain experienced, trained and skilled employees • motivated/loyal employees • lower costs • HR team focussed on current employees not recruitment • achievement of objectives • uninterrupted production process/good productivity • increased stability/reputation of business	**5**

Question	Answer	Marks
4	**AO2 Application** **2 marks for a DEVELOPED application/explanation of ONE benefit to a business of low labour turnover** **1 mark for LIMITED application/explanation of ONE benefit to a business of low labour turnover** • retain employees so skills are kept within the business • assurance of job security to current and prospective employees • current employees know the business well as have been there a long time • less money and time is spent on the recruitment, selection and training process for new employees • understanding of objectives may have increased over time • current employees are satisfied/better motivated and developed • no delays created by missing employees • employees are happy and praise the business to outsiders **AO3 Analysis** **2 marks for DEVELOPED analysis of ONE benefit to a business of low labour turnover** **1 mark for LIMITED analysis of ONE benefit to a business of low labour turnover** • employees are specialised and can work with few errors so less waste and good quality • encourages loyalty and hard work and assists with recruitment so saving money • employees know what they are doing and have high output/can train others with on-the-job training • reduced opportunity cost so more finance is available to use elsewhere in the business • long-serving employees are more likely to have commitment to working towards and achieving the objectives • can attract skilful labour to the business so improving productivity • better customer satisfaction and loyalty increases sales and revenue Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> benefits to a business of using a vertical merger for growth.** **Indicative content** ***NOTE****: Some understanding of the term vertical merger must be shown. Responses which give general benefits of a horizontal merger/growth e.g. larger workforce/economies of scale are not answering the question and should not be rewarded.* Responses may include: **AO1 Knowledge and understanding** **1 mark for identifying ONE benefit to a business of using a vertical merger for growth** • rapid external growth within the same supply chain • control over the market/secures outlets/customers/suppliers • improved quality control of materials • exclude competitors from using same supplier • reduces costs • R and D potential **AO2 Application** **1 mark for application/explanation of ONE benefit to a business of using a vertical merger for growth** • expansion is either with a customer or supplier business • gain economies of scale • can encourage sales of own products if merging with a customer or select best quality materials if merging with supplier • restrict sales of competitors or limit availability of different supply factors to competitors • may be duplication of job roles or resources expertise of both businesses combines to improve supply chain	**8**

Question	Answer	Marks
5(a)	**AO3 Analysis** **up to 2 marks for analysis of ONE benefit** **2 marks for DEVELOPED analysis of ONE benefit to a business of using a vertical merger for growth (L2 AN) or 1 mark for LIMITED analysis of ONE benefit to a business of using a vertical merger for growth (L1 AN)** • both businesses already familiar with what is more likely to be successful due to existing experience and knowledge of suppliers and customers • forward vertical merger with a customer gives control over promotion and pricing of own products and may result in greater sales and profits • secures outlets for products and gives direct access to markets to allow faster response to customer requirements • may exclude competitors' products and reduce competition, possibly increasing market share • backward vertical with a supplier gives control over quality, price and delivery times for supplies, assisting JIT • reduces costs of production and increases profit margins • supplies to competitors may be controlled and possibly reduced or the price increased • after redundancies (which may be expensive), wage costs may be reduced and profits increased • encouragement of R and D by suppliers to improve quality of materials used in manufacturing Accept all valid responses.	

Question	Answer	Marks
5(b)	**'Risk taking is the most important quality needed by an entrepreneur to be successful in the clothing design industry.'** **Evaluate this view.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **2 marks for DEVELOPED knowledge and understanding (L2 K)** **1 mark for LIMITED knowledge and understanding (L1 K)** Qualities of an entrepreneur • multi-skilled • self-confidence • ability to bounce back • innovative/creative/make good designs • results orientated • committed • self-motivated • leadership skills • definition of an entrepreneur **AO2 Application** **2 marks for DEVELOPED application (L2 APP)** **1 mark for LIMITED application (L1 APP)** • relevance to clothing design industry – design of garments, not manufacture, although in a small start-up the entrepreneur may do both • changing fashions/clothing trends/seasons fashion designers, tailors, types of clothes, fabric, fashion shows	**12**

Question	Answer	Marks
5(b)	**AO3 Analysis** **2 marks for DEVELOPED analysis (L2 AN)** **1 mark for LIMITED analysis (L1 AN)** • consideration of the importance of risk-taking as a quality of an entrepreneur. This may look at ways in which risk-taking is important and ways in which it isn't important • risk of entering an established and competitive environment and investing own savings. May be relatively cheap to enter this industry as it is design, not necessarily manufacturing • belief that the business can enter the market alongside established brands although designs can be cheaper and aimed at different markets in which the entrepreneur may have more experience • risk of failing and having to start again – might be needed if customers do not like the designs and demand is low • take the risk to produce new and innovative designs/styles of clothing to attract customer from competitors • consideration of the importance of other qualities of an entrepreneur • being multiskilled and having ability to perform many different business activities e.g. market research, promotion, presentation of product, handling of finance, dealing with customers, cutting out, sewing, etc. Designs could be done using CAD and a website, making some other skills redundant or easier to deal with • focussed on achieving objectives which the entrepreneur will have set for themselves and therefore is more likely to know how to work towards to make the business successful • ambition to make this business succeed as the alternative is to develop a new business idea or move into the role of an employee for another business (which an entrepreneur may find boring) • driven and hard-working as this is their own business and they are more likely to work long hours in order to make it succeed – the initial risk is the most exciting stage • able to inspire/motivate employees with the entrepreneur's own vision, self-belief and work ethic as cannot run the business on their own	

Question	Answer	Marks
5(b)	**AO4 Evaluation** **Up to 6 marks for EVALUATION – USE THE FOLLOWING TABLE:** Developed/Supported judgement in context — L3 EVAL — 6 marks Developed/Reasonable evaluative comments in context — L3 EVAL — 5 marks Developed/Supported judgement without context — L2 EVAL — 4 marks Developed/Reasonable evaluative comments without context — L2 EVAL — 3 marks Limited supported judgement — L1 EVAL — 2 marks An attempt to balance the arguments/Weak attempt at evaluative comments — L1 EVAL — 1 mark *A judgement/conclusion is made as to whether risk taking is the most important quality for an entrepreneur to be successful in the clothing design industry. Such judgements/conclusions may be made at any point in the essay, not only in a concluding section.* • how important are other qualities of entrepreneurs instead of/alongside risk taking? • what is considered successful in this industry – survival, being profitable, gaining market share with cheap clothing, entering a niche market with high end fashion? • what level of risk is involved within the entrepreneur's plans – are they providing custom T-shirts with a design specified by a customer using a web page – do they want to design elaborate wedding dresses or festival outfits for a specific target market – is this a new business or a diversification for an already successful entrepreneur breaking into a new market? • a judgement should be made about the importance of different qualities in this particular context • other factors might be equally or more important than any quality shown by an entrepreneur – the strength of the competition, the demand of the consumer, how dynamic the market is, where the entrepreneur is selling the product, external conditions affecting the market, etc. Accept all valid responses.	

Question	Answer	Marks
6(a)	**Analyse <u>two</u> benefits to a business of using a Boston Matrix.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **1 mark for identifying ONE benefit (K)** • allows the business to analyse and assess the range of different products currently produced by a business • can see and review the allocation of resources between different products • can provide important information about the strengths/weaknesses of particular products • allows a business to measure how each product contributes to total business performance • could attract additional investment • compare their products to those of competitors • make decisions about the products in the portfolio • business planning for new product development • **AO2 Application** **1 mark for application of ONE benefit (APP)** • identifies question marks, stars, cash cows and dogs • analyses the market share and market growth of a business' products • identifies products which are at different stages of their product lifecycle • identify changes needed to operations and marketing (e.g. pricing) of current products, resources, expenditure, product development, strategies • lack of question marks/stars in the Boston Matrix suggests new product needed	8

Question	Answer	Marks
6(a)	**AO3 Analysis** **up to 2 marks for analysis of each benefit – 2 marks for DEVELOPED analysis of each benefit (L2 AN) – 1 mark for LIMITED analysis of each benefit (L1 AN)** Aspects of the marketing mix may be applied to product types in the Boston Matrix e.g. • effective promotion of question marks to increase market share within the market – may need market research and a new promotional mix • decide pricing strategies to increase revenue, e.g. skimming/penetration/competitive, depending on the market • apply extension strategies for cash cows to maintain revenue and provide reliable funding to support other products • whether to remove a product (dog) from the portfolio or adjust the marketing mix – may depend on demand in the market • may need to carry out R&D which will need to be financed Accept all valid responses.	

Question	Answer	Marks
6(b)	**'Packaging is the most effective promotion method for a fast-food business.'** **Evaluate this view.** **Indicative content** ***NOTE****: the question is about promotion, not the other aspects of the marketing mix. Responses which discuss price, place and product without linking this to promotion are not answering the question and should not be rewarded.* Responses may include: **AO1 Knowledge and understanding** **2 marks for DEVELOPED knowledge and understanding (L2 K)** **1 mark for LIMITED knowledge and understanding (L1 K)** • role of packaging in promotion – information, colour, logo, competitions • advertising promotion • sales promotion • direct promotion • digital promotion • branding **AO2 Application** **2 marks for DEVELOPED application (L2 APP)** **1 mark for LIMITED application (L1 APP)** • use of promotion by a fast-food business e.g. McDonalds (golden arches on red background), Pizza Hut, Domino's, Burger King, Yo Sushi. • Taste, restaurants, menu, ingredients, types of fast food e.g. burgers/pizzas	**12**

Question	Answer	Marks
6(b)	**AO3 Analysis** **2 marks for DEVELOPED analysis (L2 AN)** **1 mark for LIMITED analysis (L1 AN)** Benefits of the use of packaging as a means of promotion – • easily seen by many people, whether eating the food or not • a well-known business can reach a large number of potential consumers when packaging is carried around a busy area • a logo is easy to include on most types of food packaging e.g. trays, bags, cups • colours can be used to make the promotion eye-catching • there is no need for explanation of the business on the packaging as customers recognise the logo and/or colours • packaging is used anyway to carry and protect the food, so it is relatively cheap to use it for promotion Drawbacks of the use of packaging as a means of promotion – • packaging promotion may be ignored as it is the contents that are important to the customer • some fast-food businesses have their reputation damaged by customers who dispose of the packaging irresponsibly • plain packaging is cheaper to produce/buy than promotional packaging so increases costs • some customers eat the food and dispose of the packaging without anyone else seeing it • target market may include children who are not influenced by the packaging	

Question	Answer	Marks
6(b)	**AO4 Evaluation** **Up to 6 marks for EVALUATION – USE THE FOLLOWING TABLE:**	

Developed/Supported judgement in context	L3 EVAL	6 marks
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks
Developed/Supported judgement without context	L2 EVAL	4 marks
Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks
Limited supported judgement	L1 EVAL	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark

A judgement/conclusion is made as to whether packaging is the most effective promotion method for a fast-food business. Such judgements/conclusions may be made at any point in the essay, not only in a concluding section.

- how effective is packaging for promoting this particular type of business?
- is promotion on packaging more effective for large businesses which already have an established brand?
- how effective are other types of promotion for a fast-food business?
- advertising using television, print media, social media and the business' own website are all effective at constantly reminding customers of existing and new types of food
- sales promotions/discounts/meal deals/toys/collectibles are effective as customers are often young and on limited incomes
- direct promotion to individuals is unlikely in this industry as the product is aimed at the mass-market, although leaflet drops are used
- digital promotion via websites and social media allows customers to interact with the business, place orders, give feedback, which can then promote the business to other customers, therefore is very effective given the target market
- older customers may still want to buy the food, for themselves or younger relatives, but are less likely to use digital media
- branding is very important as the fast-food market is competitive, but to maintain that brand image and a high market share a lot of different promotion methods are used together

Question	Answer	Marks
6(b)	• all other types of promotion can be more expensive than promotion on the packaging, but large fast-food business can afford this • judgement made as to which promotion method is likely to be the most effective in this context • it is likely that all types of promotion will be carried out at some time and in some circumstances due to the nature of the market and the large budget available to many businesses in it. Accept all valid responses.	

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **October/November 2025**

1 hour 15 minutes

5099518012

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

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[Turn over

Section A

Answer **all** questions.

1 (a) Define the term *triple bottom line*. [2]

(b) Explain **one** advantage to a business of being a social enterprise. [3]

2 (a) Define the term *on-the-job training*. [2]

(b) Explain **one** advantage to a business of induction training. [3]

3 (a) Define the term *break-even analysis*. [2]

(b) Explain **one** limitation for a business of break-even analysis. [3]

4 Analyse **one** reason why a business might hold low levels of inventory. [5]

Section B

Answer **one** question only.

EITHER

5 (a) Analyse **two** benefits to a business of using an internal source of finance for business growth. [8]

(b) 'The main reason why many small businesses fail is that they do not understand the difference between cash and profit.'

Evaluate this view. [12]

OR

6 (a) Analyse **two** benefits to a business of product portfolio analysis. [8]

(b) Evaluate whether branding is the most important factor in the successful promotion of a new health drink. [12]

Cambridge International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Short Answer/Essay **October/November 2025**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **28** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3	**Calculation questions:** • The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer • If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown. • Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages. • Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.
4	**Annotation:** • For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking. • For levels of response marking, the level awarded should be annotated on the script. • Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standard isation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2, etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.
AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.
AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

<u>Used for Question 1(a), Question 2(a) and Question 3(a)</u>

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1✓ where appropriate in the answer
No creditable response.	**0**	

<u>Used for Question 1(b), Question 2(b) and Question 3(b)</u>

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *triple bottom line.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • Triple bottom line refers to three factors 1 – economic/profit 2 – social/people 3 – environment/planet **(2 marks)** Clear understanding of the term (or similar) is to be awarded 2 marks. This is indicated by 2 ticks **PARTIAL UNDERSTANDING (1 mark)** • Refer to one or two of the 3 factors/social welfare as a business objective/there are 3 factors affecting business operations (without explanation)/a business not just concerned with profit (**1 mark)** A partial understanding of the term (or similar) is to be awarded 1 mark. This is indicated by 1 tick Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> advantage to a business of being a social enterprise.** **NOTE:** ***Answers to this question that explain what a social enterprise does and the advantages that social enterprises may give to society are NOT acceptable.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE advantage to a business of being a social enterprise – put tick in body of script.** • Provides opportunities for growth/expansion • Has good reputation/strong public image/USP • Attracts customers • Attractive to prospective employees • Employees likely more productive and motivated • Attractive to government – gains support – grants • Attractive to investors **AO2 Application – 2 marks for DEVELOPED explanation of ONE advantage – put ticks in body of script** **– 1 mark for LIMITED explanation of an advantage – put tick in body of script.** • Profits can be reinvested into growth rather than given to owners/shareholders • Perceived as being ethical – product/services in greater demand • Customers who associate and support the distinctive values of social enterprise • Employees easier to recruit – lower recruitment costs. • Employees share the values and aspirations of a social enterprise/high level of satisfaction • Employees easier to retain – lower turnover of staff. • Government support/grants more available, e.g. social enterprises may offer employment opportunities to disabled • Ethically minded investors share values of social enterprise – access to greater funds Accept all valid responses.	3

Question	Answer	Marks
2(a)	**Define the term *on-the-job training.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • Training given at the place of work/while working (2) Clear understanding of the term (or similar) to be is to be awarded 2 marks. This is indicated by 2 ticks **PARTIAL UNDERSTANDING (1 mark)** • Training about the job (1) Partial understanding of the term (or similar) to be awarded 1 mark. This is indicated by 1 tick Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> advantage to a business of induction training.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE advantage to a business of induction training – put tick in body of script.** • Gives confidence to new starter employees • Become familiar with role/purpose • Gives initial focus on business objectives/goals • Provides essential information about the business • Clarifies rights and responsibilities of employees • Prevents employees leaving • Learning essential new skills for the job **AO2 Application – 2 marks for DEVELOPED explanation of ONE advantage – put ticks in body of script.** **– 1 mark for LIMITED explanation of an advantage – put tick in body of script.** Impacts may include: • Ensures new hires feel welcome – removes anxiety and stress. • Provides knowledge and structure for new employees to settle in. • Indicates concern and support for employees – reciprocated by employees – job satisfaction and job performance. • Important elements of systems, procedures, values, culture, expectations clearly defined giving clarity and confidence to employees. • Leads to greater employee retention – greater integration into the business. • Ensures employees become more productive faster – provides appropriate skills • Reduces mistakes – reduces costs • Supports productivity and efficiency All such impacts can contribute to a healthy and productive business environment. Accept all valid responses	**3**

Question	Answer	Marks
3(a)	**Define the term *break-even analysis*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • The point where total revenue equals total costs/or where a business makes neither a profit nor a loss (2) • Using cost and revenue data to determine the level of output that needs to be reached to start making a profit (2) • Uses cost and revenue data to determine the break-even level of output (2) • Uses cost and revenue data to calculate the margin of safety (2) Clear understanding of the term (or similar) is worth 2 marks. This is indicated by 2 ticks **PARTIAL UNDERSTANDING (1 mark)** • A way to calculate profitability/or decide on output (1) • Used to determine break-even point (1) • Allows calculation of margin of safety (1) Partial understanding of the term (or similar) is worth 1 mark. This is indicated by 1 tick Accept all valid responses	2

Question	Answer	Marks
3(b)	**Explain <u>one</u> limitation for a business of break-even analysis.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE limitation for a business of break-even analysis – put tick in body of script.** • Assumptions may well be unrealistic • May not be accurate • Can be time consuming – deflects a business away from core activities • External factors may undermine the calculations • Assumes all relationships are linear • Sales are unlikely to be the same as output • Variable costs do not always stay the same • Not all costs can be defined as fixed and variable • Most businesses sell more than one product **AO2 Application – 2 marks for DEVELOPED explanation of ONE limitation – put ticks in body of script.** **– 1 mark for LIMITED explanation of a limitation – put tick in body of script.** • Unrealistic assumptions – products are not sold at the same price at different levels of output, fixed costs do vary when output changes • The assumption that costs and revenue are always represented by straight lines is not realistic • Sales may not be the same as output – there may be some build-up of inventory or wasted output – the use of inventory is ignored • Variable costs may well change with output – as output rises the buying power of a business may allow buying of inputs at lower prices which reduces variable cost per unit	**3**

Question	Answer	Marks
3(b)	• Semi- variable costs will make the technique much more complicated • With more than one product the break-even for the business becomes harder to calculate • Break-even charts are only accurate with narrow levels of output – a significant change in output level may result in fixed costs changing – scope of analysis is limited • It is more of a planning aid than a decision-making tool. Accept all valid responses.	

Question	Answer	Marks
4	**Analyse <u>one</u> reason why a business might hold low levels of inventory.** **NOTE: No marks can be awarded if a valid reason is not given.** **Indicative content.** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE reason why a business might hold low levels of inventory** • A business needs to avoid too high costs • Low inventory levels avoid many costs • Business may not afford high levels of inventory • Business operating JIT – no need for inventory • Concern for cash flow management • Concern for high profit • Avoiding waste	**5**

Question	Answer	Marks
4	**AO2 Application – 2 marks for DEVELOPED application/explanation of ONE reason -put ticks in body of script.** **– 1 mark for LIMITED application/explanation of ONE reason – put tick in body of script.** • Too high costs include storage damage, theft, costs • Businesses may be able to avoid these costs • Opportunity cost possibilities • Low inventory costs provide business flexibility • Some businesses may have little choice of high or low inventories • Perishable goods become out of date **AO3 Analysis – 2 marks for DEVELOPED analysis of ONE reason – put ticks in body of script** **– 1 mark for LIMITED analysis of ONE reason – put tick in body of script.** • The avoidance of costs involved in holding high levels – storage costs – obsolescence costs – spoilage, theft, damage, shifts in demand etc. • Opportunity cost of high levels – limitation of business flexibility. • Less pressure on cash flow and profitability. • Business might be involved in specialised work requiring only low levels of inventory. • Business (new)might only be able to afford a low level of inventory. • JIT inventory opportunities may exist that allows low levels to be carried. • Wasted goods have to be thrown away costing money and reducing profit Accept all valid responses.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
Analyse <u>two</u> benefits to a business of using an internal source of finance for business growth.

Indicative content

Responses may include:

AO1 Knowledge and understanding – 1 mark for each identified benefit

• May be readily and speedily available
• Will not increase business debt - gearing ratio unaffected
• Will not need repayment planning
• Will not require interest payments - low cost
• Will not lose any control over the business
•
AO2 Application 1 mark for application/explanation of each identified benefit

• A business will avoid lengthy and costly applications for external finance
• Allows a business to focus on core competencies
• Avoids possible external interference of the business.
• Shareholders cannot influence business decisions

AO3 Analysis – 2 marks for DEVELOPED analysis of each identified benefit
– 1 mark for LIMITED analysis of each identified benefit

The benefits of using internal sources of finance may include:
• Internal sources may mean lower costs of finance – the avoidance of loan, overdraft, credit card interest/fees.
• No interference by external investors, meaning owners can focus on original objectives
• No delay in acquiring the finance – waiting for approval could mean loss of business opportunities – no wait for credit reports – supports quick decisions.
• No requirement for collateral when using internal resources – simplified finance acquisition.
• Business avoids taking on any further legal obligations associated with external sources of finance – another indicator of internal control and independence.

Accept all valid responses.
</td><td>8</td></tr>
</table>

Question	Answer	Marks
5(b)	**‘The main reason why many small businesses fail is that they do not understand the difference between cash and profit’. Evaluate this view.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED understanding L2 K and 1 mark for LIMITED understanding – L1 K- put ticks in body of script and annotate in left hand margin.** • Cash flows in and out of an operating business in a certain period of time - the life blood of an organisation • Profit is revenue less all the expenses of a business in a certain period of time • Business failure – reasons for this **AO2 Application – 2 marks for DEVELOPED application L2 APP – 1 mark for LIMITED application L1 APP – put ticks in body of script and annotate in left hand margin.** • Produce goods and services on a relatively small scale – often sole proprietorships, partnerships or family businesses. • High rate of small business failure in the early years of operation. • likely to have very limited resources (capital, cash, and personnel) • Inexperienced management/poor decision-making over a variety of areas – marketing, operations, finance – lack of competency • May lack resources to match efficiency of larger competitors …. no cash for operations or growth – no economies of scale • May have very small customer base – insufficient revenue • Often have inadequate business plans • Often do not see short term cash management and long-term profit maximisation as priorities • Microfinance may be available	**12**

Question	Answer	Marks
5(b)	**AO3 Analysis – 2 marks for DEVELOPED analysis L2 AN and 1 mark for LIMITED analysis L1 AN – put ticks in body of script and annotate in left hand margin.** • Failure to see that cash is not profit, and profit not cash means that businesses may be profitable but lack adequate cash flow. • A business may make a profit over the period of a year but report a shortage of cash in the accounts, resulting in an inability to pay taxes on the profit made – leading to failure (forced into administration by a government). • A business that generates profit while being cash negative may well not survive – a business that generates a lot of cash flow while remaining unprofitable may well survive – businesses need cash all the time and they can survive, even if they lack profit in the short term. • Profit is a necessity for business growth over the long term, but cash is necessary for company survival in the short term. • May well pursue profits in the short term in an effort to generate cash and neglect a focus on working capital • The cash flow of a business provides a good indicator of its financial health – the cash flow of a business is tied to its core operations and activities and requires an effective cash management policy to ensure that there is always sufficient cash available to pay core and regular expenses, such as employee remuneration and materials/supplies.	

Question	Answer	Marks
5(b)	**AO4 Evaluation- up to 6 marks for evaluation – EVAL** **USE THE FOLLOWING TABLE:** Developed/Supported judgement in context — L3 EVAL — 6 marks Developed/Reasonable evaluative comments in context — L3 EVAL — 5 marks Developed/Supported judgement without context — L2 EVAL — 4 marks Developed/Reasonable evaluative comments without context — L2 EVAL — 3 marks Limited supported judgement — L1 EVAL — 2 marks An attempt to balance the arguments/Weak attempt at evaluative comments — L1 EVAL — 1 mark • Any judgements/conclusions/critical comment may be made at any point in the essay and not just in a concluding section. • A judgement is made that a primary reason for small business failure is a lack of cash or working capital – caused by an inability to distinguish between cash and profit – a judgement supported by reasoned argument. • A judgement is made that while a lack of cash is a fundamental reason for small business failure, it is not the only reason – there are many possible reasons. • Some of the reasons adjudged to be significant, such as poor management and lack of an effective business plan, may actually lead to poor cash flow management. • Other reasons for small business failure suggested in an evaluative section could include such factors as a flawed business model, inadequate start-up capital, unsuccessful marketing, poor market research and a poor business strategy. Accept all valid responses.	

Question	Answer	Marks
6(a)	**Analyse <u>two</u> benefits to a business of product portfolio analysis.** **THERE ARE 8 MARKS IN TOTAL FOR Question 6(a) – 4 marks for each BENEFIT given – 1 mark for knowledge and understanding – 1 mark for application/context – 2 marks for analysis** **Question 6(a) should be annotated as follows:** **K put a tick in body of answer where a BENEFIT is given and annotate K in left hand margin** **APP put a tick in body of answer where the BENEFIT is applied/explained and annotate APP in left hand margin** **AN put up to 2 ticks in body of answer where a BENEFIT is analysed and annotate in left hand margin – L2 AN for DEVELOPED analysis or L1 AN for LIMITED analysis** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for each identified benefit – put ticks in body of script and annotate by putting K in left hand margin** • Allows the business to analyse and assess the range of different products currently produced by a business • Can see and review the allocation of resources between them. • Can provide important information about the strengths/weaknesses of particular products • Allows a business to measure how each product contributes to total business performance • Product portfolio information may well attract additional investment • Allows a business to adapt its products to different customer needs • Helps a business identify suitable target segments for its products • Reduces risk	**8**

Question	Answer	Marks
6(a)	**AO2 Application – 1 mark for application/explanation of each identified benefit** • Provides information on each product, such as market growth, market share, growth prospects, profit margin drivers, income contributions, market leadership and operational risks and opportunities • This analysis is an informative tool giving insight into product operations and provides information and analysis for strategic decisions on the retention or change in the product portfolio • Can provide information relating to specific products and so indicate what changes may be required in pricing, marketing, composition. **AO3 Analysis – 2 marks for DEVELOPED analysis of each identified benefit** **– 1 mark for LIMITED analysis of each identified benefit** • It assists a business in deciding when to launch a new product, update an existing one, or stop producing a particular product – data provided for product portfolio management, e.g. use of Boston Matrix. • In combination with product life cycle, framework offers information and analysis for resource allocation decisions. • The pursuit of a balanced product portfolio is assisted by this analysis and a business can determine if its investment in products aligns with its business strategy. • It gives a business a measure of control over its cashflow – see which products generate most revenue – allowing focus on products that most help with the cashflow – ensures the business has money needed to operate the business and create more products. • Product portfolio analysis can generate ideas about new opportunities – generate innovation leading to a more diversified portfolio – spreading business risk. • Identifies gaps in the existing portfolio and reveal new business opportunities. • It can stimulate management to, for example, offer a wider array of products to various target markets and so earn a higher market share, increase sales, and contribute to brand awareness. • It may suggest that particular products need taking out of the current portfolio Accept all valid responses.	

Question	Answer	Marks
6(b)	**Evaluate whether branding is the most important factor in the successful promotion of a new health drink.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED knowledge L2 K and 1 mark for LIMITED knowledge L1 K – put ticks in body of answer and annotate in left hand margin,** • Branding – a set of associations customers make with a business, product or organisation – the establishment of an image that stimulates sustained customer buying behaviour. • Product promotion – a form of marketing to create interest, to capture a target audience's attention – a set of activities focused on spreading information about products among prospective buyers in a market. • Examples of promotional activities **AO2 Application – 2 marks for DEVELOPED application/context L2 APP, 1 mark for LIMITED application/context L1 APP, put ticks in body of answer and annotate in left hand margin.** • Identify and market the nutritional value of the new health drink • Emphasis on absence of certain ingredients – reduced level of salt, sugar, caffeine • Emphasis on ingredients such as fruit, antioxidants, vitamins, mineral proteins • Green tea, smoothies, coconut water, pomegranate juice • A drink that claims to be beneficial to health – e.g. with specific ingredients such as certain vitamins, or a drink that has a reduced amount of potentially harmful substances, such as too much sugar, energy drink • Appropriate market segments for health drinks, e.g. gym users, fitness addicts, elderly people.	12

Question	Answer	Marks
6(b)	**AO3 Analysis – 2 marks for DEVELOPED analysis L2 AN, 1 mark for LIMITED analysis L1 AN, put ticks in body of answer and annotate in left hand margin.** Branding is said to be important for the promotion of all products for the following reasons:– • Branding provides visibility and leads to a strong connection between product and customer-buying behaviour. • A branded product promotes customer loyalty – when customers can put a name or logo with a product, they will often return to that product over and over again. • Once a product becomes recognisable through branding and a household name, trust is built and confidence in the product, which can make it easier to promote that product. • Branding motivates people to buy – when people see a brand they may well feel the product is well developed and put together, whereas they might shy away from a nameless generic-looking product. • To many, branding means reliability – such a recognised and expected brand culture supports effective promotion. • Branding can create an emotional connection with buyers – learnt over many years through socialisation. • Branding can give products a competitive edge – add value to an offer through an outstanding logo. • Analysis might well refer to brands such as Coca Cola – a global brand, youthful, refreshing, energetic – visual images such as red and white logo, corporate colours, unique shape of original bottle and its secret recipe.	

Question	Answer	Marks
6(b)	**AO4 Evaluation – Up to 6 marks for evaluation EVAL – USE THE FOLLOWING TABLE** Developed/Supported judgement in context — L3 EVAL — 6 marks Developed/Reasonable evaluative comments in context — L3 EVAL — 5 marks Developed/Supported judgement without context — L2 EVAL — 4 marks Developed/Reasonable evaluative comments without context — L2 EVAL — 3 marks Limited supported judgement — L1 EVAL — 2 marks An attempt to balance the arguments/Weak attempt at evaluative comments — L1 EVAL — 1 mark • Judgements/conclusions/critical comments can be made at any point in an essay – not just in a concluding section. • Branding can be very significant and important in promoting a product, but brands can have negative images, e.g. Coca Cola seen by many as an unhealthy drink and a global symbol of imperialism. • A new health drink may well benefit significantly if developed or adopted by an established brand (in which there is confidence and trust). • Developing and establishing a brand can be very expensive and a lengthy process – may well not be afforded by a new/developing product or company. • Is price-led marketing breaking down the power and influence of a brand? – e.g., discount retailers such as Aldi and Lidl. • Will the significance and importance of branding for the promotion of a new health drink vary in terms of whether it seeks to be a local or national or global product. • Might the extent and strength of scientific or medical approval for a new health drink be more important than branding? Accept all valid responses.	

Mark Grids for Section B

Used for Question 5(a) and Question 6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

<u>Used for Question 5(b) and Question 6(b)</u>

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Business Concepts 1 **October/November 2025**

1 hour 15 minutes

0808104909

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

DC (WW) 346293

Section A

Answer **all** questions.

1 (a) Define the term *market growth*. [2]

(b) Explain **one** pricing method. [3]

2 (a) Define the term *employee morale*. [2]

(b) Explain **one** method of paying employees. [3]

3 (a) Define the term *hostile takeover*. [2]

(b) Explain **one** importance to a business of having objectives. [3]

4 Analyse **one** impact on a business of outsourcing. [5]

Section B

Answer **one** question only.

EITHER

5 (a) Analyse **two** limitations for a business of sampling during market research. [8]

(b) Evaluate the view that new product development is the most important activity for the success of a toy manufacturer. [12]

OR

6 (a) Analyse **two** uses of cost information for a business. [8]

(b) 'A large bank loan is the most appropriate source of finance for the expansion of a furniture retailer.'

Evaluate this view. [12]

Cambridge International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Short Answer/Essay **October/November 2025**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **27** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles (for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3	**Calculation questions:** • The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer • If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown. • Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages. • Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.
4	**Annotation:** • For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking. • For levels of response marking, the level awarded should be annotated on the script. • Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standard isation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1✓ where appropriate in the answer
No creditable response.	**0**	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *market growth*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • The (percentage) increase in the size of a market over a period of time / using metrics such as number of customers, units sold, or revenue (2) • Increase in size of market over a period of time (2) Clear understanding of the term *market growth* is worth 2 marks. This is indicated by 2 ticks . **PARTIAL UNDERSTANDING (1 mark)** • Change in the size of a market (1) Partial understanding of the term *market growth* is worth 1 mark. This is indicated by 1 tick . Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain one pricing method.** **Indicative content** Responses may include: **AO1 Knowledge and understanding - 1 mark for identifying ONE pricing method.** • competitive • penetration • skimming • price discrimination • dynamic • cost-based • psychological **AO2 Application** **2 marks for a DEVELOPED application / explanation of ONE pricing method.** **1 mark for a LIMITED application / explanation of ONE pricing method.** • price is similar to competitors to avoid damaging / expensive levels of competition between businesses OR price set below competitors in markets where it is easy for customers to compare prices of different businesses • setting a relatively low price to enter a market, attract customers and gain market share quickly, price may rise later • setting a high price for a new product when it is unique or highly differentiated / has low price elasticity of demand / price is reduced over time • charging different prices for the same product at different times or to different customers to increase demand and/or revenue • selling at a price which changes according to the level of demand and the customer's ability to pay • setting a price which covers all the costs of producing/supplying the product plus an additional amount to give profit • takes account of the psychological effect of a price on customers e.g. just below a price level ($9.99 not $10) or a high price for luxury goods Accept all valid responses.	3

Question	Answer	Marks
2(a)	**Define the term *employee morale*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • An employee's level of satisfaction towards their job / enjoyment in their work / desire to work / enthusiasm to work / committed to work / sense of health and emotional wellbeing / level of motivation at work / positive mindset / attitude at work (2) Clear understanding of the term *employee morale* is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** • How an employee feels about the workplace (1) • Having values (1) Partial understanding of the term *employee morale* is worth 1 mark. This is indicated by 1 tick ✓. Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> method of paying employees.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **1 mark for identifying ONE method of paying employees.** • time based • salary • piece rates • commission • bonuses • profit sharing • performance-related pay • fringe benefits **AO2 Application** **2 marks for DEVELOPED application/explanation of ONE method of paying employees.** **1 mark for LIMITED application/explanation of ONE method of paying employees.** • employees are paid an agreed amount for each hour they work; the longer they are at work, the more they get paid • an agreed annual amount divided into equal monthly payments; does not depend on hours worked or items produced • employees are paid a set amount for each product they produce; the more they produce, the more they earn • payment based on quantity (or value) of each item sold to encourage sales staff to persuade customers to buy • addition to basic pay, based on individual or team performance in contributing to agreed targets • employees receive some part of the profit made by the business, in addition to their regular pay • paid to employees who meet or exceed targets agreed during appraisal • perks or extras that are not cash payments but are of financial benefit to the employee e.g. use of company car, health insurance Accept all valid responses.	3

Question	Answer	Marks
3(a)	**Define the term *hostile takeover*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • Buying another business against the company's wishes/consent (2) Clear understanding of the term *hostile takeover* is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** • taking control of another business (1) Partial understanding of the term *hostile takeover* is worth 1 mark. This is indicated by 1 tick ✓. Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain <u>one</u> importance to a business of having objectives.** **Indicative content** Responses may include: **AO1 Knowledge and understanding - 1 mark for identifying ONE importance to a business of having objectives** • set out what the business wants to achieve / gives direction • gives a clear sense of direction to all in the business / improves decision making • sets out clearly what the business wants to achieve • provide a focus for all decisions • motivated employees know exactly what is expected of them • these objectives allow work to be defined, measured, and monitored • measures business performance • increases efficiency / enables better resource allocation **AO2 Application** **2 marks for DEVELOPED application/explanation of ONE importance to a business of having objectives** **1 mark for LIMITED application/explanation of ONE importance to a business of having objectives** • when the objective is clear there can be a plan on how to achieve it • all relevant parts of the business can be co-ordinated to work towards the same objective • employees can be given achievable individual targets which help motivate them to meet the objectives • SMART objectives can be assessed in several ways to check that progress towards achieving them is going to plan Accept all valid responses.	**3**

Question	Answer	Marks
4	**Analyse <u>one</u> impact on a business of outsourcing.** *Note: no marks can be awarded if a relevant impact on a business of outsourcing has not been identified* **Indicative content** Responses may include: **AO1 Knowledge and understanding** 1 mark for identifying **ONE** impact on a business of outsourcing • Increases business capacity • Improves business flexibility • Allows focus on core business skills • Allows a business to access specialist expertise • could solve capacity problems • could reduce business costs • could add to costs • could reduce profit • could lead to a demotivated workforce / impact on employee morale • could lead to control issues /quality control problems • lower quality of product • customer satisfaction decreases	**5**

Question	Answer	Marks
4	**AO2 Application** 2 marks for a **DEVELOPED** application/explanation of **ONE** impact on a business of outsourcing 1 mark for **LIMITED** application/explanation of **ONE** impact on a business of outsourcing • take on extra work / respond to increased demand quickly • concentrate / focus on its own strengths / let experienced/specialist business take on other tasks e.g. marketing, accounting • use own resources / workforce more productively • motivation may decrease / job insecurity / redundancy • profits may increase due to saved costs but reduce by paying the other business • errors in lower quality outsourcing may affect quality and customer loyalty • knowledge and processes are available to other businesses **AO3 Analysis** **2 marks for DEVELOPED analysis of ONE impact on a business of outsourcing** **1 mark for LIMITED analysis of ONE impact on a business of outsourcing** • increase output, more sales, more revenue, potential for profit, increased market share, competitive advantage • more efficient to focus on core strengths e.g. school on teaching and learning not catering or maintenance. Outsource to specialist catering firms to get economies of scale and better service • free up space, equipment and staff within the business to be better used on key activities, so more productive overall • employees may be positively or negatively affected. Could concentrate on tasks which they are good at or could feel demotivated due to job insecurity. Will affect HR activities • effect on costs and profits could be beneficial or detrimental, but business should benefit overall even if final profits are less than previously • no in-house quality assurance/visiting team may need to be set up, associated costs • customers may stop purchasing and move to competitors so reducing market share • security risk especially involving IT and innovative techniques, business ideas may be stolen • any impact must be logically developed as a consequence to the business Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> limitations for a business of sampling during market research.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **1 mark for identifying ONE limitation for a business of sampling during market research** • sampling methods used may not be appropriate for a given situation • researchers may be inexperienced/incompetent • sample size too small • sample may not be representative of the population • may be very time-consuming • may be very expensive • questions asked may be ambiguous or biased Customer responses may not be honest **AO2 Application** **1 mark for application / explanation of ONE limitation for a business of sampling during market research** • sample may not have been chosen correctly for a particular situation • efficient sampling / choice of correct method • may not be suitable for niche markets (already small) • not everyone in the target population is questioned • random, stratified and quota sampling must be chosen appropriately • biased responses due to dishonesty / ignorance / biased questions / lack of understanding by respondents • not all sampling techniques are truly random • researchers will require payment	8

Question	Answer	Marks
5(a)	**AO3 Analysis** **Up to 2 marks for analysis of ONE limitation** **2 marks for DEVELOPED analysis of ONE limitation for a business of sampling during market research (L2 AN)** **<u>or</u>** **1 mark for LIMITED analysis of ONE limitation for a business of sampling during market research (L1 AN)** • the business cannot be totally confident in the results as they may not be 100% reliable • results and decisions based on a badly chosen sample may damage the business • if employees are not experienced in sampling, the results of the research will be biased and unreliable • a trained employee may require higher pay, or an external agency may need paying to carry out the sampling • opportunity cost of paying for specialised sampling as part of market research • good knowledge of the target population is needed to decide which method of sampling is appropriate based on ease of research, reliability, time available, representation etc Accept all valid responses.	

Question	Answer	Marks
5(b)	**Evaluate the view that new product development is the most important activity for the success of a toy manufacturer.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **2 marks for DEVELOPED knowledge and understanding (L2 K)** **1 mark for LIMITED knowledge and understanding (L1 K)** • new product development - ideation to market-stages of idea to design to market research to testing to marketing etc • business success - achieve business goals through financial performance profits and growth - customer satisfaction - meeting needs and building customer loyalty - operational efficiency - efficient processes and innovation and stakeholder impact - positive long term social and environmental contribution • making toys that are engaging, durable, sturdy, entertaining, safe, **AO2 Application** **2 marks for DEVELOPED application (L2 APP)** **1 mark for LIMITED application (L1 APP)** • toy manufacturer – children, brands, types of toys, soft fabric, plastic, educational • Barbie, Hot Wheels, Matchbox • Mattel global manufacturer, Lego, Fisher Price **AO3 Analysis** **2 marks for DEVELOPED analysis (L2 AN)** **1 mark for LIMITED analysis (L1 AN)** • advantages and disadvantages of new product development – very competitive market; gives competitive advantage; meets ever changing needs of children; high cost; innovation; market research; consumer interest • use of Boston Matrix information – toys currently in their product portfolio • stage of the product lifecycle of current products – cost of new product development	**12**

Question	Answer	Marks
5(b)	**AO4 Evaluation** **Up to 6 marks for EVALUATION - USE THE FOLLOWING TABLE:** <table><tr><td>Developed / Supported judgement in context</td><td>L3 EVAL</td><td>6 marks</td></tr><tr><td>Developed / Reasonable evaluative comments in context</td><td>L3 EVAL</td><td>5 marks</td></tr><tr><td>Developed / Supported judgement without context</td><td>L2 EVAL</td><td>4 marks</td></tr><tr><td>Developed / Reasonable evaluative comments without context</td><td>L2 EVAL</td><td>3 marks</td></tr><tr><td>Limited supported judgement</td><td>L1 EVAL</td><td>2 marks</td></tr><tr><td>An attempt to balance the arguments / Weak attempt at evaluative comments</td><td>L1 EVAL</td><td>1 mark</td></tr></table> *A judgement / conclusion is made as to whether new product development is more important than extension strategies for a toy manufacturer.* *These judgements / conclusions may be made at any point in the essay, not only in a concluding section.* • toy manufacturing is a competitive market with many large and established manufacturers, but there are also niche markets • is the toy manufacturer trying to compete in the mass market or in a niche market? Might this affect how much money is available to fund product development? • how affordable is product development for the manufacturer? Is it new to the market and focussed on survival rather than growth, market share and production of a range of different toys? • is it possible for operations to produce additional products? • if the business is small, it may be labour intensive, and production of a new product may take time and slow down production of current toys. Can the business allow this to happen? • is there consumer demand for new products? Can the business afford to carry out the appropriate market research to find out?	

Question	Answer	Marks
5(b)	• would it be better to focus on promoting toys to retailers, adults and children in different ways to create maximum demand for the product portfolio that it already has (extension strategy)? • is spending more money on promotion more appropriate in a mass market where brand might be established? • in a niche market might spending more money to develop a new product with a distinct USP be more suitable to build on reputation for quality? • are extension strategies better as an alternative to new product development? • is it possible for new markets to be targeted rather than focussing on new product development for the existing market? Accept all valid responses.	
6(a)	**Analyse <u>two</u> uses of cost information for a business.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **1 mark for identifying ONE use (K)** • provides vital information for effective decision-making- such as cash flow management • cost information can be used to monitor business performance - identifying which products are most profitable • can be used to reduce costs - take out high-cost centres • role in selecting price strategy - cost based pricing • calculating profits • constructing break-even • setting budgets • financial reporting • choosing suitable location • choosing appropriate method of production	**8**

Question	Answer	Marks
6(a)	**AO2 Application** **1 mark for application of ONE use (APP)** • decision-making – start-up; expand; cost reduction • measurement of performance – profit / loss; comparisons • setting prices - cost plus pricing, contribution pricing • whether to accept special orders – additional cost of order • supports review of how areas of business contribute to overall business performance • may be used as evidence to support business rationalisation **AO3 Analysis - up to 2 marks for analysis of each use** **2 marks for DEVELOPED analysis of each use (L2 AN)** **1 mark for LIMITED analysis of each use (L1 AN)** • decision-making – can produce break even, budgets, cashflow forecasts, variances accurately and make informed decisions • measurement of performance – knowing revenue minus total costs (fixed and variable) means profit or loss can be calculated • identify cost centres – allocate costs to different departments / products and monitor • comparing costs with previous years, predictions, competitors or different parts of the business is vital to assess and improve performance – more profitable / competitive • cutting costs increases profits as long as revenue stays the same • prices must cover all costs of the business to make a profit • special orders – contribution of one product Accept all valid responses.	

Question	Answer	Marks
6(b)	**'A large bank loan is the most appropriate source of finance for the expansion of a furniture retailer.'** **Evaluate this view.** **Indicative content** Responses may include: **AO1 Knowledge and understanding - 2 marks for DEVELOPED knowledge and understanding (L2 K)** **1 mark for LIMITED knowledge & understanding (L1 K)** • sources of finance – internal and / or external – retained profit; share capital; debentures; venture capital; bank overdraft; leasing; hire purchase; bank loan; mortgage; debt factoring; trade credit; crowd funding; government grant • types of expansion - buying new premises / extending current premises; employing more staff; increasing product range; buying outlets in different areas • furniture manufacture – type of retailer – mass market or bespoke selling physically or online and / or online **AO2 Application - 2 marks for DEVELOPED application (L2 APP) - 1 mark for LIMITED application (L1 APP)** • furniture retailers – a range from high end to self-assembly • furniture retailer needs a show room to exhibit the furniture • sofas, beds, tables, and chairs, home décor items • Ikea, Lazy Boy, DFS, John Lewis, Furniture World, Furniture Village – accept local examples **AO3 Analysis - 2 marks for DEVELOPED analysis (L2 AN) - 1 mark for LIMITED analysis (L1 AN)** • strengths and weaknesses of relevant sources of finance – availability, interest payments, amount required, short or long term, investor confidence, loss of control, input of new ideas, • consideration of internal and / or external finance, long term and / or short term • some types of finance may not be available / suitable / enough for expansion – crowdfunding, venture capital, micro-finance, overdraft, debt-factoring, trade credit • consideration of different types of expansion and what finance method may be appropriate e.g. mortgage for buildings or land, leasing or hire purchase for buying new tills, shelving (is a retailer, not a manufacturer), becoming a plc for large scale expansion of an already recognised business	**12**

Question	Answer	Marks
6(b)	**AO4 Evaluation – Up to 6 marks for EVALUATION - USE THE FOLLOWING TABLE:**	

Developed / Supported judgement in context	L3 EVAL	**6 marks**
Developed / Reasonable evaluative comments in context	L3 EVAL	**5 marks**
Developed / Supported judgement without context	L2 EVAL	**4 marks**
Developed / Reasonable evaluative comments without context	L2 EVAL	**3 marks**
Limited supported judgement	L1 EVAL	**2 marks**
An attempt to balance the arguments / Weak attempt at evaluative comments	L1 EVAL	**1 mark**

A judgement / conclusion is made as to whether a large bank loan is the most appropriate source of finance for the expansion of a furniture retailer.
These judgements / conclusions may be made at any point in the essay, not only in a concluding section.
Appropriateness of finance may depend on:
- the type / extent of expansion being undertaken
- size and type of business ownership
- the amount of retained earnings, non-current liabilities, need to retain control of the business and make decisions, interest rate levels and stability, opinions of current shareholders
- government grant may only be possible if expansion benefits the area and / or meets governments objectives and criteria.
- could be more appropriate to use a variety of sources to finance the full amount, rather than just a large bank loan

Accept all valid responses.

NOTE: The marks for 5(b) and 6(b) are recorded in the following way. The marks are entered in the mark input column on the right-hand side of the screen

The K marks are entered in the 5b / 6b AO1 box
The APP marks are entered in the 5b / 6b AO2 box
The AN marks are entered in the 5b / 6b AO3 box
The EVAL marks are entered in the 5b / 6b AO4 box

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and / or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and / or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and / or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and / or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement / conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and / or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and / or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement / conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and / or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and / or consequences.	**1–2 marks** **Limited evaluation** • A judgement / conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **February/March 2026**

1 hour 15 minutes

6997621856

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

Section A

Answer **all** questions.

1 **(a)** Define the term *public sector*. [2]

(b) Explain **one** key element of a business plan. [3]

2 **(a)** Define the term *channel of distribution*. [2]

(b) Explain **one** stage of the product life cycle. [3]

3 **(a)** Define the term *JIC (Just in Case)*. [2]

(b) Explain **one** method of improving capacity utilisation. [3]

4 Analyse **one** reason an employee might be motivated by status. [5]

Section B

Answer **one** question only.

Either

5 **(a)** Analyse **two** reasons why a lack of finance may lead to business failure. [8]

(b) Evaluate whether using internal sources of finance is the most appropriate way to fund the growth of a pharmaceutical business. [12]

Or

6 **(a)** Analyse **two** disadvantages to a potential franchisee of buying into a franchise. [8]

(b) Evaluate whether owners are the most important stakeholders in a private school. [12]

Cambridge International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **February/March 2026**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the February/March 2026 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:
- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

<u>Used for Q1(a), Q2(a) and Q3(a)</u>

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✓ ✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	**0**	

<u>Used for Q1(b), Q2(b) and Q3(b)</u>

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)</td><td>Define the term public sector.

Indicative content

Responses may include:

AO1 Knowledge and understanding

CLEAR UNDERSTANDING (2 marks)

• organisations accountable to and run/owned/controlled by central or local government (the state) (2)
• the part of the economy composed of both public services and public enterprises; may be supported by examples eg police or medical services (2)
• the sector in which goods and services are provided by the state/government (2)
• providing essential services for the wellbeing of the public rather than being profit focused (2)

Clear understanding of the term public sector is worth 2 marks. This is indicated by 2 ticks ✓✓.

PARTIAL UNDERSTANDING (1 mark)

• businesses which are not controlled by private individuals/not in the private sector (1)

Partial understanding of the term public sector is worth 1 mark. This is indicated by 1 tick ✓.

PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT

Accept all valid responses.</td><td>2</td></tr>
</table>

Question	Answer	Marks
1(b)	**Explain <u>one</u> key element of a business plan.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE element** Elements may include: • executive summary • outline of owners • overview of business idea/objectives/targets • products and services • analysis of market conditions • plans for promotion • estimate of sales • financial forecasting • human resource requirements **AO2 Application – 2 marks for a DEVELOPED explanation of ONE element** **– 1 mark for a LIMITED explanation of ONE element** • background and experience of owners to show ability to run the business • explains the focus and purpose of the business/what it is aiming to achieve • what products and services the business will sell relating to ability to produce them • positioning of the business and its products within the market linking to external environment • promotion methods to gain consumer interest and sales • prediction of demand and sales revenue for one year, possibly longer	**3**
1(b)	• cash flow forecast, profit forecast and statement of what the business owes and owns • number of employees needed to work in the business, experience and skills to suit the business requirements Accept all valid responses.	

Question	Answer	Marks
2(a)	**Define the term *channel of distribution*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • how a product moves from producer to customer/consumer/B2B/B2C (2) • chain of intermediaries a product passes through from producer to final consumer (2) Clear understanding of the term *channel* of *distribution* is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** • place element in the marketing mix (1) • producer / manufacturer / wholesaler / retailer / consumer (1) Partial understanding of the term *channel of distribution* is worth 1 mark. This is indicated by 1 tick ✓. Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> stage of the product life cycle.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE stage.** Stages may include: • research / development • introduction / launch • growth • maturity / saturation • decline **NOTE:** ***no AO1 mark for 'recession'. However, if accurate explanation of decline follows this should be credited.*** **AO2 Application – 2 marks for DEVELOPED explanation of ONE stage.** **– 1 mark for LIMITED explanation of ONE stage.** • ideas/tests/prototypes – takes time/costly/high risk/many ideas abandoned • put on sale/promotion costly/difficult to get retailers to stock/customers to buy • sales grow with popularity/easier to get stocked and sell/profits start • sales growth slows/similar products on market/could last a long time • sales fall/distribution difficult/price cuts/extend or remove from portfolio Accept all valid responses.	**3**

Question	Answer	Marks
3(a)	**Define the term *JIC (Just in Case)*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • inventory management system that focuses on keeping a large amount of / extra inventory (2) • inventory management system that enables a business to respond to unexpected demand (2) • where a business keeps a large amount of / extra inventory to minimise the risk of running out (2) Clear understanding of the term *JIC (Just in Case)* is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** • type of inventory management (1) • keeping a lot of / extra inventory (1) Partial understanding of the term *JIC (Just in Case)* is worth 1 mark. This is indicated by 1 tick ✓. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain <u>one</u> method of improving capacity utilisation.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE method** **NOTE:** ***updating machinery and improving technology are valid methods of improving capacity utilisation, but buying new machinery or reducing wastage are not valid methods of improving capacity utilisation and should not be credited*** Methods may include: • increase marketing activities • reduce level of capacity/rationalisation • subcontract for other firms • improve labour productivity • make better use of current capital assets/servicing machinery/improved technology • new product development • produce more goods **AO2 Application – 2 marks for DEVELOPED explanation of ONE method.** **– 1 mark for LIMITED explanation of ONE method.** • offers, advertising, sales – increases demand, more production/using resources more fully so improving capacity utilisation • reduce level of resources e.g. machinery/equipment/labour so remaining resources more fully utilised • subcontract – use resources to complete work for other businesses/resources are used to capacity • better motivated workers, train employees to make them work harder/better • no machinery left idle, better maintenance of equipment, upgraded software, latest technology • introduce new product line to utilise idle machinery • greater production improves ratio of goods actually produced to potential output Accept all valid responses.	3

Question	Answer	Marks
4	**Analyse <u>one</u> reason an employee might be motivated by status.** ***Note: no marks can be awarded if a relevant reason has not been identified*** **NOTE*: the analysis of this question should focus on the employee NOT on benefits to a business*** **Indicative content** Responses may include: **Knowledge and understanding – 1 mark for identifying ONE reason.** Reasons may include: • self-esteem/self-respect • recognition • personal advancement/self-actualisation • promotion • authority **Application – 2 marks for a DEVELOPED application of ONE reason.** **– 1 mark for LIMITED application of ONE reason.** • feels satisfied to have achieved this position in hierarchy • recognised by management and others by position/job title in hierarchy • personal goal achieved/position in the hierarchy • better pay and benefits for promotion to higher status job position • gain power and authority over others due to position in hierarchy	**5**

Question	Answer	Marks
4	**Analysis – 2 marks for DEVELOPED analysis of ONE reason** **– 1 mark for LIMITED analysis of ONE reason.** • self-esteem is a higher level of need of Maslow's hierarchy. Employee feels good about themselves for having status and may work harder to maintain or achieve even higher status • status is recognised and usually respected by other employees making employees feel important • responsibility comes with status. Promotion to highest position employee planned to achieve • satisfies physiological needs to earn more money and improve lifestyle • some people are motivated by power and the need to control others, make decisions Accept all valid responses.	
5(a)	**Analyse <u>two</u> reasons why a lack of finance may lead to business failure.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE reason.** Reasons include: • negative cashflow • lack of working capital • cannot respond to unexpected events • lack of investment **AO2 Application – 1 mark for application/explanation of ONE reason.** • more money leaving the business than coming in • cannot get loans, buy inventory/pay suppliers, pay employees • e.g. inflation, reduced revenue, increased costs • no technology updates or growth	8

Question	Answer	Marks
5(a)	**AO3 Analysis – up to 2 marks for analysis of ONE reason – 2 marks for DEVELOPED analysis of ONE reason (L2 AN) or 1 mark for LIMITED analysis of ONE reason (L1 AN).** • will not have enough money to operate/pay creditors and the legal process of bankruptcy may occur. The business is forced to stop trading • banks will not lend money, banks will not have confidence in the business to repay the loan and interest so will not lend money to the business, either long term loan or short term overdraft • suppliers will not sell to the business suppliers will not give credit to allow time to pay and without inventory the business must cease production therefore no products to sell • with no wages employees will refuse to work and find employment with other businesses if possible. Without employees the business cannot produce products • with unexpected events the business may suffer from reduced demand/revenue and increased costs therefore needs access to finance to survive them. If this is unavailable the business will become insolvent • productivity might fall as equipment becomes outdated and business will lose competitiveness in the market Accept all valid responses.	

Question	Answer	Marks
5(b)	**Evaluate whether using internal sources of finance is the most appropriate way to fund the growth of a pharmaceutical business.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED knowledge and understanding (L2 K) – 1 mark for LIMITED knowledge and understanding (L1 K)** • raised from within the business • internal finance e.g. owners' investment, retained earnings, sale of assets, sale and leaseback of non-current assets, working capital • external finance e.g. loan, share capital • growth e.g. getting bigger/business expansion/increase in size **AO2 Application – 2 marks for DEVELOPED application/context (L2 APP) – 1 mark for LIMITED application/context (L1 APP)** • researching, developing, manufacturing and distributing medicines/drugs for human and animal use • named pharmaceutical businesses – GSK, Pharma, AstraZeneca, Pfizer	**12**

Question	Answer	Marks
5(b)	• scientists, lab machinery, microscopes • such businesses are often subject to price intervention or price control by governments **AO3 Analysis – 2 marks for DEVELOPED analysis (L2 AN) – 1 mark for LIMITED analysis (L1 AN)** • usually very large business which may have been trading for many years, therefore has a good reputation and possibly available internal finance • usually have shareholders who provide external not internal finance and expect share of profit (dividend) so less retained earnings available • profitable due to high prices charged for drugs but this initially is used to pay back considerable R&D costs. After that there is likely to be retained earnings which are saved with the intention of growing the business so growth could be rapid if retained earnings are high enough • have lots of assets which could be sold if not in use or if they are outdated. Pharmaceutical business likely to need latest technology therefore constant updating is necessary. Rapid growth would need money to buy latest equipment • not all non-current assets will be in constant use and sale and leaseback could be used. This gives an inflow of cash but higher costs due to leasing fee. Any spare capacity would allow these assets to be used to produce drugs for other businesses. Can give money for growth which would then generate more revenue • long R&D and testing process, often many years before drugs have reached the launch stage. May not have available working capital as all income is spent on overheads • rapid growth needs large amount of accessible finance and working capital is usually for running the business not growing it **AO4 Evaluation – Up to 6 marks for EVALUATION – USE THE FOLLOWING TABLE:**	

Developed/Supported judgement in context	L3 EVAL	6 marks
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks
Developed/Supported judgement without context	L2 EVAL	4 marks
Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks
Limited supported judgement	L1 EVAL	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark

Question	Answer	Marks
5(b)	*A judgment/conclusion is made as to whether using internal sources of finance is the most appropriate way to fund the rapid growth of a pharmaceutical business.* *These judgements/conclusions may be made at any point in the essay, not only in a concluding section.* • will depend on how established the business is – a large, profitable business may find it easy to get a loan at low interest rate (external finance) • how many successful and profitable products (cash cows) it has got to provide finance for growth. If the rapid growth is development of another product the cash cow profit will often be used to fund it • what is needed for the rapid growth – bigger premises, more equipment, more workforce, expansion abroad. Leasing can be better in an industry where machinery and equipment is constantly being updated • whether the business can raise enough money internally – rapid growth in the industry is likely to be expensive, normally a loan or more shareholders would be a preferred option • in a successful, profitable business the shareholders would probably be willing to buy more shares to raise finance (external) • may be government funding available within this industry due to public health benefits Accept all valid responses.	

Question	Answer	Marks
6(a)	**Analyse <u>two</u> disadvantages to a potential franchisee of buying into a franchise.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE disadvantage (K)** • share profit or revenue • expensive to buy • some promotion costs • no choice of supplier • standard format of business **AO2 Application – 1 mark for application of ONE disadvantage (APP)** • percentage paid to franchisor every year • initial licence fee can be high • local promotions will have to be paid • franchisee has to use approved supplier • franchisor has strict rules over pricing and layout	**8**

Question	Answer	Marks
6(a)	**AO3 Analysis – up to 2 marks for analysis of each limitation – 2 marks for DEVELOPED analysis of each disadvantage (L2 AN) – 1 mark for LIMITED analysis of each disadvantage (L1 AN)** • franchisor must earn high amount of revenue and/or profit to make it financially worthwhile. May not earn as much as setting up as a sole trader where all profit would be kept • well known large businesses charge a high fee for buying the right to use the name, logo and trading systems. A potential business owner may not be able to afford or borrow the money to pay this • franchisor will produce national/international promotions but local area promotions are paid for by franchisee. Increases the overhead costs • franchisor has established suppliers which franchisee must use to keep the format of the business the same. May be more expensive than if franchisee could look around for cheaper suppliers • prices and layout cannot be adjusted to suit the local environment and needs of local customers. Could make the franchise less popular and reduce revenue and profit Accept all valid responses.	

Question	Answer	Marks
6(b)	**Evaluate whether owners are the most important stakeholders in a private school.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED knowledge and understanding (L2 K) – 1 mark for LIMITED knowledge and understanding (L1 K)** • Stakeholders include: owners/shareholders, employees, suppliers, customers, community, government, special interest groups – pressure groups, lenders **AO2 Application – 2 marks for DEVELOPED application/context (L2 APP) – 1 mark for LIMITED application/context (L1 APP)** • school – teachers, students, examinations, parents, lessons, education **AO3 Analysis – 2 marks for DEVELOPED analysis (L2 AN) – 1 mark for LIMITED analysis (L1 AN)** • owners have invested money and expect return on profits (dividends). Without their money the school would not exist. They can contribute more money (or buy more shares if shareholders) in order to fund expansion of the school	**12**

Question	Answer	Marks
6(b)	• teachers vital to run the school and teach students. Without their knowledge and expertise the school could not operate • suppliers provide all the equipment the school needs – stationery, furniture, computers – without them the school could not operate because it lacks all the facilities • customers (students/parents) are necessary as this is the whole reason for the school to exist. Without their demand the building of the school would be a waste of money. If parents are not paying the school fees there will be no income to pay the costs of running the school • community benefits from access to the school for the local families but may have more traffic on the roads. They are affected and their views need to be taken into account before building the school and once it is running • government will earn tax from the school and educated students will aid the economy of the country. The government may contribute to the running of the school even though it is a private school if the benefits are thought to be great enough • special interest groups such as lenders may be affected if the school has insufficient money to operate or there is industrial action by employees which trade unions become involved in	

AO4 Evaluation – Up to 6 marks for EVALUATION – USE THE FOLLOWING TABLE:

Developed/Supported judgement in context	L3 EVAL	6 marks
Developed/Reasonable evaluative comments in context	L3 EVAL	5 marks
Developed/Supported judgement without context	L2 EVAL	4 marks
Developed/Reasonable evaluative comments without context	L2 EVAL	3 marks
Limited supported judgement	L1 EVAL	2 marks
An attempt to balance the arguments/Weak attempt at evaluative comments	L1 EVAL	1 mark

A judgment/conclusion is made as to whether owners are the most important stakeholders in a private school.
These judgements/conclusions may be made at any point in the essay, not only in a concluding section.

- difficult to say that any one stakeholder is more important than another, they are interdependent in order to establish and make the school a success

Question	Answer	Marks
6(b)	• owners have different objectives – may have only invested to make money but may want to offer the best education possible. The latter will value other stakeholders • once the school is built and equipped it becomes the teachers, students who are the most important stakeholders Accept all valid responses.	

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Q5(b) and Q6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/11**

Paper 1 Business Concepts 1 **May/June 2026**

1 hour 15 minutes

8349344789

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  Section A: answer **all** questions.
  Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

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Section A

Answer **all** questions.

1 **(a)** Define the term 'buffer inventory'. [2]

(b) Explain **one** advantage to a business of labour intensive operations. [3]

2 **(a)** Define the term 'fixed cost'. [2]

(b) Explain **one** way that a business may reduce its variable costs. [3]

3 **(a)** Define the term 'corporate social responsibility (CSR)'. [2]

(b) Explain **one** benefit to a business of setting objectives. [3]

4 Analyse **one** implication for a business of high labour turnover. [5]

Section B

Answer **one** question only.

Either

5 **(a)** Analyse **two** advantages to a business of using job production. [8]

(b) 'Mass customisation has an important impact on the success of a sports footwear manufacturer.'

Evaluate this view. [12]

Or

6 **(a)** Analyse **two** advantages to a business of niche marketing. [8]

(b) 'Having a unique selling point (USP) is the most important part of the marketing mix for the success of a mobile phone manufacturer.'

Evaluate this view. [12]

Cambridge International Education

Cambridge International AS & A Level

BUSINESS **9609/11**

Paper 1 Business Concepts 1 **May/June 2026**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme contains the instructions and marking guidance that our examiners used to mark candidate responses for this component.

Before they start marking, examiners complete a standardisation process. They review a range of candidate responses and discuss the mark scheme in detail to agree which answers can and cannot be accepted. Examiners award marks where it is clear that candidate responses have met the requirements of the mark scheme. These requirements may vary between different components or different versions of the same component, depending on the exact requirements of the question and the candidate responses seen during the standardisation process.

Sometimes, our mark schemes may allow marks to be awarded to responses which contain elements that are factually incorrect or for content not covered by the syllabus. We do this in response to the demands of a specific question to support candidates and make sure that our assessments are fair. However, these allowances should not be used as a guide for teaching and learning.

We cannot discuss the mark scheme with schools, and we recommend that schools read the mark scheme together with the assessment material and the Principal Examiner Report for Teachers.

This document consists of **28** printed pages.

General marking principles

All examiners must apply these marking principles when marking candidate responses.

1	Examiners must award marks for each response in line with: • the specific **content** defined in the mark scheme • the specific **skills** defined in the mark scheme or in the level descriptions • the **standard of response** required as exemplified by the standardisation scripts.
2	Examiners must award **whole marks** (not half marks, or other fractions).
3	Examiners must award marks **positively**. This means that: • marks are not deducted for errors or omissions • marks are awarded for correct/valid answers as defined in the mark scheme and also for **other valid answers** which go beyond the scope of the syllabus and mark scheme referring to your team leader as appropriate • the quality of spelling, punctuation and grammar are judged **only** when the mark scheme indicates that these features are **specifically assessed** in the question. However, the meaning of all responses must be unambiguous.
4	Examiners must **consistently** apply the requirements of the mark scheme and any rules for what to do when candidates have not followed instructions correctly.
5	Examiners must use the **full range of marks** defined in the mark scheme, unless limited by the quality of the candidate responses seen.
6	Examiners must award marks according to the mark scheme and **must not** award marks with grade thresholds or grade descriptions in mind.

Social Sciences-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. corrasion/corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:
- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	Marks	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✓✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	**0**	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term 'buffer inventory'.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • The minimum/extra stock that should be held to ensure production can still take place /should a delay in delivery occur /should production rates/demand increases (2) Clear understanding of the term is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** • Minimum/extra stock held Partial understanding of the term is worth 1 mark. This is indicated by 1 tick ✓. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain <u>one</u> advantage to a business of labour intensive operations.** **THERE ARE 3 MARKS FOR THIS *QUESTION – 1 mark for knowledge and understanding and 2 marks for application*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE advantage** Responses may include: • Lower start-up costs / lower capital barriers • High flexibility/adaptable employees • Customisation/job production • High-value service / high quality • Access to low-cost labour • Avoid maintenance **PUT 1 TICK IN BODY OF THE SCRIPT WHERE AN ADVANTAGE IS GIVEN.** **AO2 Application – 2 marks for a DEVELOPED explanation of ONE advantage** **– 1 mark for a LIMITED explanation of ONE advantage** • Businesses do not need to buy or maintain expensive machinery • Workforce levels and production schedules can be adapted more quickly to changing market demand than reconfiguring an assembly line • Work can be more interesting – employees become more productive • Workers can also be retrained for new tasks more cheaply than replacing heavy equipment • Workers can use initiative, problem-solving skills, and craftsmanship – bespoke, high-quality products • In regions where the cost of labour is low, using workers can be more cost-effective than investing in automation **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	3

Question	Answer	Marks
2(a)	**Define the term 'fixed cost'.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • Fixed costs do not change when a business alters its level of output (of goods or services.) *Clear understanding (2 marks)* × 2 Clear understanding of the term fixed cost is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** • Costs that do not change. Partial understanding of the term is worth 1 mark. This is indicated by 1 tick ✓. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> way that a business may reduce its variable costs.** **THERE ARE 3 MARKS FOR THIS *QUESTION – 1 mark for knowledge and understanding and 2 marks for application*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE way.** Ways include: • Reduce expenditure • Efficient production • Optimise inventory levels • Lower cost of materials/ Gain discounts from supplier • Reduce waste during production • Outsourcing **PUT 1 TICK IN THE BODY OF THE SCRIPT WHERE A WAY IS GIVEN.** **AO2 Application – 2 marks for DEVELOPED explanation of ONE way.** **– 1 mark for LIMITED explanation of ONE way.** • Expenditure on gas, electricity, water – find cheaper utilities provider. • Expenditure on fuel – alter logistics arrangements. • Buy cheaper raw materials, possibly of lesser quality. • Reduce employees' wages or number of employees if related to the unit cost of each item. • Buy in bulk to gain discounts. • If fewer raw materials are wasted when making each product, the cost of materials per unit will fall. • Reduce overstocking and storage handling fees by implementing demand forecasting tools • Vertical integration – taking over your suppliers • Training workers to make better use of resources / less waste	**3**

Question	Answer	Marks
2(b)	**PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term 'corporate social responsibility (CSR)'.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • Consideration of social, ethical, and environmental concerns as a business objective • Taking responsibility for the impact of their decisions/activities on stakeholders. Clear understanding of the term corporate social responsibility (CSR) is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** Identification of part of the answer • Businesses that are interested in the environment/ethics/society/fair treatment of employees (1) Partial understanding of the term is worth 1 mark. This is indicated by 1 tick ✓. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	2

Question	Answer	Marks
3(b)	**Explain <u>one</u> benefit to a business of setting objectives.** ***THERE ARE 3 MARKS FOR THIS QUESTION – 1 mark for knowledge and understanding and 2 marks for application*** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE benefit.** Reasons include: • Provide focus/direction/ coordinate • Increase revenue • Motivate staff • Prioritise resources • Increase efficiency • Accountability • Enable measurement of progress and success • Drives innovation • Enables adaption to market changes / customer needs / changes in the economy **PUT 1 TICK IN THE BODY OF THE SCRIPT WHERE A BENEFIT IS GIVEN.** **AO2 Application – 2 marks for DEVELOPED explanation of ONE benefit.** **– 1 mark for LIMITED explanation of ONE benefit.** • Employees are more invested in work when they have a clear objective to achieve/work toward. • Revenue can increase when specific sales objectives are met • Gives the business direction so collectively they know what to focus on • Customer satisfaction increases when measurable quality improvements are in place • Accountability enables managers to take ownership of successes and failures • Enables business to know where best to allocate resources to meet objectives • Enables businesses to reflect on whether an objective was met and if not what they could do better in future • Challenging employees to meet an objective can lead to innovative solutions to problems	3

Question	Answer	Marks
3(b)	**PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	

Question	Answer	Marks
4	**Analyse <u>one</u> implication for a business of high labour turnover.** **Indicative content** Responses may include: **Knowledge and understanding – 1 mark for identifying ONE implication.** Disadvantages include: • Recruitment and selection costs • Training costs • Poor output levels/customer service • Difficult to establish customer relationships • Team spirit/morale/motivation • Losing experience/specialised knowledge/skilled employees Advantages include: • Fresh perspectives and innovation • Removal of negative influences • Updated skills or expertise • Reduced resistance to change • Lower wage costs **Application – 2 marks for a DEVELOPED application of ONE implication.** **– 1 mark for LIMITED application of ONE implication.** Disadvantages: • Recruitment and selection involves advertising, interviewing	**5**

Question	Answer	Marks
4	• Training such as induction, on and off-the-job • Poor output/customer service as not enough staff to carry out job • Customer relations require regular contact with employees so relations can develop • Team spirit is dependent on building relationships with fellow employees • Morale can be affected by having to take on extra work when staff leave Advantages: • New employees bring diverse backgrounds, fresh ideas, and "new blood" • Turnover allows a business to shed underperforming, uninvested, or toxic employees • Provides an opportunity to hire individuals with updated skills or expertise that the current workforce lacks • New hires are often more adaptable and less resistant to organisational restructuring • New, less experienced employees may be willing to accept lower starting salaries **Analysis – 2 marks for DEVELOPED analysis of ONE implication** **– 1 mark for LIMITED analysis of ONE implication.** Disadvantages: • The recruitment process is expensive which can increase business costs, money could have been used elsewhere • Training may require hiring specialists which is expensive • Poor output /customer service could lead to customers going elsewhere, reducing sales, lost orders • Poor team spirit can further increase labour turnover and sickness, and increase costs further • Low morale can impact productivity, more mistakes, impact on quality Advantages: • Innovation can lead to competitive advantage • Toxic staff may be damaging company culture or productivity. • New skills can help the business keep pace with technological or market changes. • Lower salaries can reduce overall payroll expenses. Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> advantages to a business of using job production.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE advantage.** Advantages include: • Take on specialist / unique projects • Motivated workers • Meets customers' requirements/ customer satisfaction • High quality products • Flexibility in production • Customer loyalty **AO2 Application – 1 mark for application/explanation of ONE advantage.** • Specialist projects often have high added value • Motivated workers due to their work being highly skilled and interesting • Meets customers' requirements as is tailored to their exact needs • High quality products enable premium prices to be charged • Flexibility in production enables the business to cater for a wide range of products.	**8**

Question	Answer	Marks
5(a)	**AO3 Analysis – up to 2 marks for analysis of ONE advantage – 2 marks for DEVELOPED analysis of ONE advantage (L2 AN) or 1 mark for LIMITED analysis of ONE advantage (L1 AN).** • High added value can mean high profit margins • Motivated workers would often be more productive and happier at work leading to less sickness / labour turnover • Meeting the exact needs of the customers can lead to high customer satisfaction and customer loyalty. • Premium prices will enable high revenues to be earned • Flexibility in production means the business can react very quickly to customer demands and remain competitive in the market. Accept all valid responses.	

Question	Answer	Marks
5(b)	**'Mass customisation has an important impact on the success of a sports footwear manufacturer.'** **Evaluate this view.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED knowledge and understanding (L2 K) – 1 mark for LIMITED knowledge and understanding (L1 K)** • specific understanding of mass customisation – the use of flexible computer-aided production systems to produce items to meet individual customers requirements at mass-production cost levels • different measures of success within a business i.e. profitability, customer satisfaction, market share, revenues, growth, employee satisfaction **AO2 Application – 2 marks for DEVELOPED application (L2 APP) – 1 mark for LIMITED application (L1 APP)** • sports footwear terms e.g. trainers, running, football, basketball, plays • able to design unique arch heights or width of trainer • custom insoles can be included • optimise athletic performance • can make footwear waterproof • can include club flags or logos • named businesses e.g. Nike, Adidas, New Balance, Reebok	**12**

Question	Answer	Marks
5(b)	**AO3 Analysis – 2 marks for DEVELOPED analysis (L2 AN) – 1 mark for LIMITED analysis (L1 AN)** • Requires multi-skilled workers whereby the work would be more interesting leading to motivation and better employee retention • Low unit costs enables higher profit margins • Meets customers' requirements leading to customer satisfaction and customer loyalty • Can mean expensive product redesign which could lead to higher costs in the short term • Expensive capital equipment required due to requiring latest technology • Higher added value and a competitive advantage • Allows differentiated marketing which allows higher added value **AO4 Evaluation – 6 marks for evaluation (EVAL)**	

DEVELOPED evaluation IN context:	**Developed/Supported judgement in context**	**(L3 EVAL)**	**SIX marks**
DEVELOPED evaluation IN context:	**Developed/Reasonable evaluative comments in context**	**(L3 EVAL)**	**FIVE marks**
DEVELOPED evaluation NOT in context:	**Developed/Supported judgement without context**	**(L2 EVAL)**	**FOUR marks**
DEVELOPED evaluation NOT in context:	**Developed/Reasonable evaluative comments without context**	**(L2 EVAL)**	**THREE marks**
LIMITED evaluation NOT in context:	**Limited supported judgement**	**(L1 EVAL)**	**TWO marks**
LIMITED evaluation NOT in context:	**An attempt to balance the arguments/Weak attempt at evaluative comments**	**(L1 EVAL)**	**ONE mark**

Question	Answer	Marks
5(b)	*A judgment/conclusion is made as to whether mass customisation has the most significant impact on the success of a sports footwear manufacturer.* *These judgements/conclusions may be made at any point in the essay, not only in a concluding section.* • What would be classed as success for this type of business e.g. brand leader? • Would success be increasing number of sales, value of sales, market share? • How important is mass customisation within the sports footwear market? • It may depend on the business objectives. • It may depend on whether the business can finance the new technology. • Will the business have to compromise on quality to satisfy specific customers' needs Accept all valid responses.	

Question	Answer	Marks
6(a)	**Analyse <u>two</u> advantages to a business of niche marketing.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE advantage (K)** • Less competition • Sell at high prices • Exclusivity/brand image • Cheaper advertising costs • More efficient marketing • Business become experts • Clear focus • Extend product range into other niche markets • Customer loyalty **AO2 Application – 1 mark for application of ONE advantage (APP)** • Small firms can find a section of the market not identified by larger firms • High prices can be charged as no-one else sells the product • Customers like to buy exclusive products • Less marketing due to small customer base • Business become experts due to knowledge of a very specialised product • Clear focus due to targeting very specific customers	**8**

Question	Answer	Marks
6(a)	**AO3 Analysis – up to 2 marks for analysis of each advantage – 2 marks for DEVELOPED analysis of each advantage (L2 AN) – 1 mark for LIMITED analysis of each advantage (L1 AN)** • By identifying sections of the market not identified by larger firms it allows businesses to thrive and grow through increased sales • High prices can lead to high profit margins for businesses • Exclusive products often enable strong customer loyalty to develop • Reduced marketing costs can increase profits • Being experts and providing excellent customer service can lead to strong customer relationships and loyalty /attract new customers • Clearly focused on specific customers means the business won't waste time/money/resources on wrong markets Accept all valid responses.	
6(b)	**Having a unique selling point (USP) is the most important part of the marketing mix for the success of a mobile phone manufacturer.'** **Evaluate this view.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED knowledge and understanding (L2 K) – 1 mark for LIMITED knowledge and understanding (L1 K)** • The marketing mix is a strategic framework used by businesses to bring a product or service to market. It is traditionally centred around the 'Four Ps'—Product, Price, Place, and Promotion—which are adjusted to meet the needs of a target audience, differentiate from competitors, and drive sales • Specific understanding of USP – the special feature of a product that differentiates it from competitor's products • Business success is the achievement of predetermined goals, encompassing both financial profitability and non-financial milestones.	12

Question	Answer	Marks
6(b)	**AO2 Application – 2 marks for DEVELOPED application (L2 APP) – 1 mark for LIMITED application (L1 APP)** • Named business e.g. Apple, Samsung, Vivo, can be country specific • Key phone related terms such as battery life, camera, pixels, cell, apps, bundles • The physical device and software must deliver on the promise. A flawless, bug-free User Interface (UI) is just as critical as the hardware differentiators. • Offering competitive specs (processors, RAM, storage) for the cost. • Providing an intuitive user interface, reliable operating systems, and access to robust app stores. • Delivering excellent battery life, durable build materials, and strong network/cellular connectivity. • Equipping the device with high-resolution sensors, video stabilisation, and quality displays for media consumption. • Committing to extended OS upgrades and security updates to enhance device lifespan. **AO3 Analysis – 2 marks for DEVELOPED analysis (L2 AN) – 1 mark for LIMITED analysis (L1 AN)** • Clear differentiation compared to your competitors means you gain a competitive advantage by creating a barrier to entry for other businesses • USP helps to develop a brand identity as it shapes the perception of the business in the minds of customers • Enables customer loyalty in a very competitive market and increased revenues • Having a USP means the phone may sell itself through word of mouth, hence easier to market • Encourages business to constantly innovate which can lead to premium pricing due to added value • May choose to compare those elements of the marketing mix considered to be more applicable to this type of business e.g. promotion • Could look at the benefits and limitations of all elements of marketing mix which could lead to success of the business	

Question	Answer	Marks
6(b)	**AO4 Evaluation – 6 marks for evaluation (EVAL)**	

DEVELOPED evaluation IN context:	**Developed/Supported judgement in context**	**(L3 EVAL)**	**SIX marks**
DEVELOPED evaluation IN context:	**Developed/Reasonable evaluative comments in context**	**(L3 EVAL)**	**FIVE marks**
DEVELOPED evaluation NOT in context:	**Developed/Supported judgement without context**	**(L2 EVAL)**	**FOUR marks**
DEVELOPED evaluation NOT in context:	**Developed/Reasonable evaluative comments without context**	**(L2 EVAL)**	**THREE marks**
LIMITED evaluation NOT in context:	**Limited supported judgement**	**(L1 EVAL)**	**TWO marks**
LIMITED evaluation NOT in context:	**An attempt to balance the arguments/Weak attempt at evaluative comments**	**(L1 EVAL)**	**ONE mark**

A judgment/conclusion is made as to whether having a unique selling point (USP) is the most important element of the marketing mix.
These judgements/conclusions may be made at any point in the essay, not only in a concluding section.

- What would be classed as success for this type of business?
- Would success be increasing number of sales, value of sales, market share?
- How important is having an USP for this type of business? How similar are other brands phones? Is promotion the key factor that leads to success in this specific market?
- How important are other factors set by the mobile phone providers such as rental, special offers, bundles?
- A conclusion that in this specific type of market there are very fine lines between each competitors products and all factors of the marketing mix are important.
- It may depend on if the manufacturer is already established or relatively new to the market

Accept all valid responses.

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

<u>Used for Q5(b) and Q6(b)</u>

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Cambridge International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Business Concepts 1 **May/June 2026**

1 hour 15 minutes

6174615459

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

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Section A

Answer **all** questions.

1 **(a)** Define the term 'intrapreneurship'. [2]

(b) Explain **one** reason why business objectives may change over time. [3]

2 **(a)** Define the term 'work-life balance'. [2]

(b) Explain **one** disadvantage for a business of using off-the-job training. [3]

3 **(a)** Define the term 'psychographic market segmentation'. [2]

(b) Explain **one** disadvantage for a business of market segmentation. [3]

4 Analyse **one** likely impact on a business if it operates over maximum capacity. [5]

Section B

Answer **one** question only.

Either

5 **(a)** Analyse **two** reasons why a lack of accurate cost information may lead to business failure. [8]

(b) Evaluate the importance of using budgets for the success of a large road construction project. [12]

Or

6 **(a)** Analyse **two** advantages to a business of satisfying human needs at work. [8]

(b) 'The only way to stop industrial action in a public sector railway business is to remove trade union involvement in the workplace.'

Evaluate this view. [12]

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BUSINESS **9609/12**

Paper 1 Business Concepts 1 **May/June 2026**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme contains the instructions and marking guidance that our examiners used to mark candidate responses for this component.

Before they start marking, examiners complete a standardisation process. They review a range of candidate responses and discuss the mark scheme in detail to agree which answers can and cannot be accepted. Examiners award marks where it is clear that candidate responses have met the requirements of the mark scheme. These requirements may vary between different components or different versions of the same component, depending on the exact requirements of the question and the candidate responses seen during the standardisation process.

Sometimes, our mark schemes may allow marks to be awarded to responses which contain elements that are factually incorrect or for content not covered by the syllabus. We do this in response to the demands of a specific question to support candidates and make sure that our assessments are fair. However, these allowances should not be used as a guide for teaching and learning.

We cannot discuss the mark scheme with schools, and we recommend that schools read the mark scheme together with the assessment material and the Principal Examiner Report for Teachers.

This document consists of **31** printed pages.

General marking principles

All examiners must apply these marking principles when marking candidate responses.

1	Examiners must award marks for each response in line with: • the specific **content** defined in the mark scheme • the specific **skills** defined in the mark scheme or in the level descriptions • the **standard of response** required as exemplified by the standardisation scripts.
2	Examiners must award **whole marks** (not half marks, or other fractions).
3	Examiners must award marks **positively**. This means that: • marks are not deducted for errors or omissions • marks are awarded for correct/valid answers as defined in the mark scheme and also for **other valid answers** which go beyond the scope of the syllabus and mark scheme referring to your team leader as appropriate • the quality of spelling, punctuation and grammar are judged **only** when the mark scheme indicates that these features are **specifically assessed** in the question. However, the meaning of all responses must be unambiguous.
4	Examiners must **consistently** apply the requirements of the mark scheme and any rules for what to do when candidates have not followed instructions correctly.
5	Examiners must use the **full range of marks** defined in the mark scheme, unless limited by the quality of the candidate responses seen.
6	Examiners must award marks according to the mark scheme and **must not** award marks with grade thresholds or grade descriptions in mind.

Social Sciences-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. corrasion/corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	**Meaning**
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Q1(a), Q2(a) and Q3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✓ ✓where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	**0**	

Used for Q1(b), Q2(b) and Q3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term *intrapreneurship.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** ***The following definitions are examples of responses that clearly define this business term and should therefore be awarded 2 marks:*** • Where an employee working in a business thinks and acts like an entrepreneur • Where an employee working in a business is encouraged to innovate/take risks/develop new ideas/initiate new ventures Clear understanding of the term is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** • Someone who has new ideas/takes risks/innovates Partial understanding of the term is worth 1 mark. This is indicated by 1 tick ✓. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	**2**

Question	Answer	Marks
1(b)	**Explain one reason why business objectives may change over time.** **THERE ARE 3 MARKS FOR THIS *QUESTION – 1 mark for knowledge and understanding and 2 marks for application*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE reason** • Business growth means objectives change • Previous objectives achieved • Previous objectives were unrealistic/not SMART • A business decides to become more ethical • Market/external conditions change • Technology changes • New legislation • Internal strategic change • New leadership and management • Financial situation changes **PUT 1 TICK IN BODY OF THE SCRIPT WHERE A REASON IS GIVEN.** **AO2 Application – 2 marks for a DEVELOPED explanation of ONE reason.** **– 1 mark for a LIMITED explanation of ONE reason.** • Move from survival objective to profit maximisation • Small business may find it difficult to achieve sustainability • Sustainability is set as a new business objective • Size of market changes – new opportunities or more competition • New developments in manufacturing – new machines – new software – electric cars replace traditional petrol cars • Business adapts to new H&S regulations, sustainability, equality and diversity • Decision to enter new markets – strategic objectives change • New senior management – new ideas – new products – new objectives – build the brand	**3**

Question	Answer	Marks
1(b)	• Economic recession – new survival objectives • Changes in environmental/ethical standards – change to keep customers • Risk of bankruptcy – change objective to survival **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	

Question	Answer	Marks
2(a)	**Define the term *work-life balance.*** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** ***The following definitions are examples of responses that clearly define this business term and should therefore be awarded 2 marks*** • The division of time between time spent at work and time spent with family/leisure activities • A balance/equilibrium between time spent at work and time spent in private/social life • How employees balance time between their work and private/social life • How well people balance their professional work life with their private/social life Clear understanding of the term *work-life balance* is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** • Do not work too much or too long hours [1] • Ability to have a private/social life [1] Partial understanding of the term is worth 1 mark. This is indicated by 1 tick ✓. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> disadvantage for a business of using off-the-job training.** **THERE ARE 3 MARKS FOR THIS *QUESTION – 1 mark for knowledge and understanding and 2 marks for application*.** **Indicative content** Responses may include: ***NOTE: Candidates may respond to this question with the assumption that off-the-job training takes place BEFORE an employee starts work in a business. This interpretation is perfectly acceptable, and marks should be awarded accordingly-see bullet point 7 in AO1 and AO2.*** **AO1 Knowledge and understanding – 1 mark for identifying ONE disadvantage.** • More expensive than on-the-job training • Means time away from the business • May not be relevant • The training course may be deficient • May not be available when needed • Wrong employees may be sent • Different tools and work practices may be different from those in the work-place **PUT 1 TICK IN THE BODY OF THE SCRIPT WHERE A DISADVANTAGE IS GIVEN.** **AO2 Application – 2 marks for DEVELOPED explanation of ONE disadvantage.** **– 1 mark for LIMITED explanation of ONE disadvantage.** • Can be very expensive – high fees and payment for expertise of consultants / additional to wages and salaries for the employees • Disruption to normal work - time away from the business – regular work/responsibilities halted • Learning does not take place in normal work environment – may be difficult to apply to specific job - no internal supervision • Less control over content – may not be as helpful as advertised • May only be available at certain times – not when a business needs it	**3**

Question	Answer	Marks
2(b)	• Favouritism may lead to inappropriate employees sent on training • New employees may be confused by the different tools and work practices used in an off-the-job training school **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term *psychographic market segmentation*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • Market research method to divide a market or customer group into segments/based on beliefs/values/lifestyle/interests/likes/opinions/attitudes/needs and wants/social status and other psychographic criteria. Clear understanding of the term *psychographic segmentation* is worth 2 marks. This is indicated by 2 ticks ✔✔. **PARTIAL UNDERSTANDING (1 mark)** • Market research method to better understand a target market. [1] Partial understanding of the term is worth 1 mark. This is indicated by 1 tick ✔. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	**2**

Question	Answer	Marks
3(b)	**Explain <u>one</u> disadvantage for a business of market segmentation.** ***THERE ARE 3 MARKS FOR THIS QUESTION – 1 mark for knowledge and understanding and 2 marks for application*** **Indicative content** Responses may include: **AO1 Knowledge and understanding - 1 mark for identifying ONE disadvantage of market segmentation** • Can be expensive • Can be time consuming • Producing products for each specific segment may not be feasible • Targeting small market segments can lead to unprofitability/lack of revenue • Risks of ignoring or neglecting the mass market • Segmentation may be based on very generalised/limited information/inaccurate information • Segments may be too small • Difficult to manage multiple products, services, prices, and promotions • Certain customer groups may be overlooked or alienated **PUT 1 TICK IN THE BODY OF THE SCRIPT WHERE A DISADVANTAGE IS GIVEN.** **AO2 Application – 2 marks for DEVELOPED explanation of ONE disadvantage of market segmentation.** **– 1 mark for LIMITED explanation of ONE disadvantage of market segmentation.** • Research and development and production costs likely to be high as several different product variations are marketed • Time spent in identifying/creating a niche market • Limited production possibility – few customers in every group • High marketing expense in attempts to meet each groups specific interests, beliefs, and preferences • Possible limited/misleading information on each segment • Promotional costs might be high – different adverts and promotions for each segment - marketing economies of scale not fully exploited • Extensive market research likely required to implement effective segmentation • Production and stock holding costs likely to be high for supplying differentiated products to segments	3

Question	Answer	Marks
3(b)	• A target niche market could overlook customers who might be interested in the product **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	

Question	Answer	Marks
4	**Analyse <u>ONE</u> likely impact on a business if it operates over maximum capacity.** ***Note: no marks can be awarded if a relevant impact has not been identified*** **Indicative content** Responses may include: **Knowledge and understanding – 1 mark for identifying ONE impact.** • Capital equipment/machines overused • Excessive pressure on employees • Inability to meet market/customer demands • Ability to meet spikes in demand in short term • Ability to increase production levels/profits/efficiency • Increased production costs • Decrease in quality • Insufficient inventory • Less efficient output • Negative influence/positive influence on the business **Application – 2 marks for a DEVELOPED application of ONE impact.** **– 1 mark for LIMITED application of ONE impact.** • Non-stop production – not enough time to maintain/repair machines • Employees under stress – constantly at maximum capacity • Over-capacity likely means business unable to respond to meet new or unexpected demands • However, over-capacity, for example overtime, 24/7 operation will maximise production potential and satisfy demand	**5**

Question	Answer	Marks
4	• Costs increase as business needs to incentivise extra production – dis-economies of scale • Quality may suffer with constant pressure to produce • More materials needed which may not arrive on time • Malfunctioning machinery/overworked employees **Analysis – 2 marks for DEVELOPED analysis of ONE impact – 1 mark for LIMITED analysis of ONE impact.** • Where productive capacity is at its limit – poor maintenance means regular breakdowns – orders delayed – reputation lost • Employees under pressure – stress – low morale – tired – mistakes made – high absenteeism – high labour turnover – difficult to recruit • Business is inflexible – capacity cannot be increased to meet new or unexpected orders – customers unhappy – effect on reputation • This allows the business to meet special orders or unexpected demand for a short time • Production may be rushed – lack of attention to detail – overtime/temporary staff – quality suffers • Production stops leading to dissatisfied customers • Lost revenue/increased costs affects profitability and risks liquidation Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> reasons why a lack of accurate cost information may lead to business failure.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE reason.** • Lack of clear business direction • Inability to make key business decisions • Lack of understanding of operating costs • Inability to determine an appropriate pricing strategy (**underpricing and overpricing can be counted as two separate reasons**) • Inability to obtain appropriate funding • Inability to understand the income and expenditure requirements of the business • Unable to meet legal accountancy requirements • Affects financial situation e.g. bankruptcy more likely **AO2 Application – 1 mark for application/explanation of ONE reason.** • Poor understanding of the key performance indicators for the business • Business lacks accurate information to plan the 'now' and predict the 'future' • Inability to understand critical costs e.g. production, supplies, employees • Unable to decide on appropriate prices for products/services	**8**

Question	Answer	Marks
5(a)	• Unable to understand the type and cost of funding needs • Unable to control and monitor business income and expenditure • Inaccurate accounting documents produced • May spend money that the business hasn't actually got **AO3 Analysis – up to 2 marks for analysis of ONE reason – 2 marks for DEVELOPED analysis of ONE reason (L2 AN) or 1 mark for LIMITED analysis of ONE reason (L1 AN).** • Business may lose sight of business objectives and drift • Business makes non-rational decisions e.g. buys too many machines and recruits too few employees • Business fails to reduce supply costs – ceases to remain competitive • Over pricing of products threatens the viability of the business • Business uses long term funding when short term funding will do leading to unnecessary credit costs • Business unable to use accurate budgeting leading to insufficient control and monitoring of income and expenditure • The business could be fined for breaking the law regarding false accounting • The business will be unable to complete purchases and becomes illiquid Accept all valid responses.	

Question	Answer	Marks
5(b)	**Evaluate the importance of using budgets for the success of a large road construction project.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED knowledge and understanding (L2 K) – 1 mark for LIMITED knowledge and understanding (L1 K)** • Budgets used to measure performance – control costs – monitor progress – establish priorities • Success – measured in terms of completion on time / within cost estimates / according to specification requirements • Construction projects – often large-scale – significant level of investment – high risk activities **AO2 Application/Context – 2 marks for DEVELOPED application/context (L2 APP) – 1 mark for LIMITED application/context (L1 APP)** • Purchase of cement/tarmac/hard core • Quality of road surface - how long before repairs are needed? • Need to build bridges/tunnels/remove houses/impact on environment - green fields/removal of farms • Interruptions such as severe weather conditions • Journey times/transport • Effect of construction on local community e.g. noise	12

Question	Answer	Marks
5(b)	**AO3 Analysis – 2 marks for DEVELOPED analysis (L2 AN) – 1 mark for LIMITED analysis (L1 AN)** • Setting budgets allows a significant measure of control over a major investment project – a business budget operates as a financial action plan – shows the costs for each activity – provides information and support for management decisions throughout the project – shows the different between actual and budgeted expenditure – allowing monitoring and control • Budgets serve as road maps for project managers and stakeholders, informing decisions throughout the construction process – potentially offers tight cost control – provides an appropriate financial framework – identifies areas of overspending, suggests where and when corrective action is needed – helps manage cash flows • Budgets identify specific priorities required during a project and indicate the planning required to efficiently complete each phase • The discipline of planning, constructing and using budgets supports mechanisms to manage costs correctly, allocate resources efficiently – a project proceeds in accordance with agreed budget guidelines and timelines • Without these benefits of budgeting a large road construction project is unlikely to be successful. • A large road construction project is complex from planning to opening and requires an appropriate funding model and funding controls, it needs effective management and contingency planning – a budget will recognise and contribute to the effective support of these issues	

Question	Answer	Marks
5(b)	**AO4 Evaluation – 6 marks for evaluation (EVAL)**	

DEVELOPED evaluation IN context:	**Developed/Supported judgement in context**	**(L3 EVAL)**	**SIX marks**
DEVELOPED evaluation IN context:	**Developed/Reasonable evaluative comments in context**	**(L3 EVAL)**	**FIVE marks**
DEVELOPED evaluation NOT in context:	**Developed/Supported judgement without context**	**(L2 EVAL)**	**FOUR marks**
DEVELOPED evaluation NOT in context:	**Developed/Reasonable evaluative comments without context**	**(L2 EVAL)**	**THREE marks**
LIMITED evaluation NOT in context:	**Limited supported judgement**	**(L1 EVAL)**	**TWO marks**
LIMITED evaluation NOT in context:	**An attempt to balance the arguments/Weak attempt at evaluative comments**	**(L1 EVAL)**	**ONE mark**

A judgment/conclusion is made as to the importance of using budgets for the success of a large road construction project. These judgements/conclusions may be made at any point in the essay, not only in a concluding section.

- What is meant by the 'success' of a large road construction project – is it completed as specified – is it within cost – on time?
- There may be other measures of success discussed – environmental effect of the project or efficiency of the construction process
- Success may be defined in economic terms, such as value for money – but social, environmental and political considerations may be considered to be significant
- <u>Effective</u> budgeting may be considered to be very important/critical to the success of a major construction project – a vital way of maintaining a measure of control
- Without budgets opportunity cost may be very high – can there be effective control of a major investment project without effective budgets?
- Is effective project management more important than budgets?

Accept all valid responses.

Question	Answer	Marks
6(a)	**Analyse <u>two</u> advantages to a business of satisfying human needs at work.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE advantage (K)** • Employees will be more motivated • May create an inspiring workplace/workforce • May improve employee and business performance • May strengthen employee loyalty to a business/low labour turnover • Improve the image/reputation of a business • Avoid pressure group criticism **AO2 Application – 1 mark for application of ONE advantage (APP)** • May satisfy fundamental, security, belonging, esteem, or self-actualisation needs within a business • Supportive, positive working culture created • Great incentive for worker productivity • Employees content to stay in a business • Alignment of business and employees' mission and purpose • Business working environment more attractive • Workers are treated correctly	8

Question	Answer	Marks
6(a)	**AO3 Analysis – up to 2 marks for analysis of each advantage – 2 marks for DEVELOPED analysis of each advantage (L2 AN) – 1 mark for LIMITED analysis of each advantage (L1 AN)** • A business demonstrates its commitment to employees and this confidence and respect is rewarded by positive attitude of employees • A rich culture/working environment encourages good work and more engaged employees encourages clear purpose and trust • High productivity results as employees more motivated and satisfied – leads to higher profits • Employees more likely to stay in the business – more loyalty and continuity – less labour turnover • Better quality work as individual jobs become more meaningful, especially if higher order needs are satisfied • More and more skilled external employees attracted to the business – business reputation strengthens • Recognition and satisfaction of human needs at work feeds through into enhanced productivity and quality resulting in greater competitiveness • Improves the reputation and image of the business with customers Accept all valid responses.	

Question	Answer	Marks
6(b)	**'The only way to stop industrial action in a public sector railway business is to remove trade union involvement in the workplace'. Evaluate this view.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED knowledge and understanding (L2 K) – 1 mark for LIMITED knowledge and understanding (L1 K)** • Public sector business – a business owned and operated by a government-owned and government financed business • Industrial action – disruption caused by employee strikes, stoppages, boycotts • Trade Unions are organisations that exist to protect and further the interests of their members **AO2 Application/Context – 2 marks for DEVELOPED application/context (L2 APP) – 1 mark for LIMITED application/context (L1 APP)** • What does a railway business do? – operate trains, provide rail tracks, signalling equipment, transport links, fares policy, safety concerns • Railway jobs – e.g. train drivers, signal operators, station masters • Railway companies or trade unions – e.g. TFL, ASLEF	**12**

Question	Answer	Marks
6(b)	**AO3 Analysis – 2 marks for DEVELOPED analysis (L2 AN) – 1 mark for LIMITED analysis (L1 AN)** • Disruption may be caused by militant employees seeking higher wages and/or better working conditions – strikes – go-slow – stoppages – work-to-rule – refusing to work on certain days if demands are not met • Trade Unions may encourage and organise disruption in an effort to improve members' conditions if collective bargaining process breaks down • Trade Union representatives may organise and publicise the strikes and stoppages and finance publicity and communication and ensure maximum impact of the disruption • The railway business managers may lack the expertise of the private sector and/or the level of financial accountability required to run a railway business, resulting in poor quality service, financial loss and low employee morale • Disruption may occur in a railway business due to factors such as skill shortages, poor weather, and low investment (such as poor signalling equipment) • Alternative/addition to trade union representation is effective communication/consultation/co-operation between managers and employees **AO4 Evaluation – 6 marks for evaluation (EVAL)**	

DEVELOPED evaluation IN context:	**Developed/Supported judgement in context**	**(L3 EVAL)**	**SIX marks**
DEVELOPED evaluation IN context:	**Developed/Reasonable evaluative comments in context**	**(L3 EVAL)**	**FIVE marks**
DEVELOPED evaluation NOT in context:	**Developed/Supported judgement without context**	**(L2 EVAL)**	**FOUR marks**
DEVELOPED evaluation NOT in context:	**Developed/Reasonable evaluative comments without context**	**(L2 EVAL)**	**THREE marks**
LIMITED evaluation NOT in context:	**Limited supported judgement**	**(L1 EVAL)**	**TWO marks**
LIMITED evaluation NOT in context:	**An attempt to balance the arguments/Weak attempt at evaluative comments**	**(L1 EVAL)**	**ONE mark**

Question	Answer	Marks
6(b)	*A judgment/conclusion is made as to the view that the only way to stop disruption in a public sector railway business is to remove trade union involvement in the workplace.* *These judgements/conclusions may be made at any point in the essay, not only in a concluding section.* • Is it the only way to eliminate disruption? – government legislation could be introduced to restrict the ability of trade unions to disrupt • Trade unions may or may not be strong or militant and so may not play a big role in causing disruption • Poor management of a railway business may be more responsible for disruption than Trade unions • This assertion potentially ignores the positive role of Trade unions – working in partnership with employers in collective bargaining and contributing to better workplace environments • Do you remove out all the potentially positive roles of Trade unions? – is it an extreme proposal? – do trade unions contribute positively to working environments that protect the rights of works? Accept all valid responses.	

Mark Grids for Section B

Used for Q5(a) and Q6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

<u>Used for Q5(b) and Q6(b)</u>

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

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BUSINESS **9609/13**

Paper 1 Business Concepts 1 **May/June 2026**

1 hour 15 minutes

2793129846

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS
- Answer **five** questions in total:
  - Section A: answer **all** questions.
  - Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION
- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Any blank pages are indicated.

DC (SL) 360485/1

Section A

Answer **all** questions.

1 **(a)** Define the term 'stakeholder'. [2]

(b) Explain **one** responsibility of an employee to a business. [3]

2 **(a)** Define the term 'capital expenditure'. [2]

(b) Explain **one** reason why working capital is important to a business. [3]

3 **(a)** Define the term 'unfair dismissal'. [2]

(b) Explain **one** reason why a business may need a workforce plan. [3]

4 Analyse **one** reason why a business measures labour productivity. [5]

Section B

Answer **one** question only.

Either

5 **(a)** Analyse **two** reasons a business may have a direct channel of distribution. [8]

(b) Evaluate the extent to which mass marketing is essential for the success of a fast-food business. [12]

Or

6 **(a)** Analyse **two** factors which may influence a business's choice of sources of finance. [8]

(b) Evaluate whether using break-even analysis is essential for the success of a new hotel. [12]

Cambridge International Education

Cambridge International AS & A Level

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MARK SCHEME

Maximum Mark: 40

Published

This mark scheme contains the instructions and marking guidance that our examiners used to mark candidate responses for this component.

Before they start marking, examiners complete a standardisation process. They review a range of candidate responses and discuss the mark scheme in detail to agree which answers can and cannot be accepted. Examiners award marks where it is clear that candidate responses have met the requirements of the mark scheme. These requirements may vary between different components or different versions of the same component, depending on the exact requirements of the question and the candidate responses seen during the standardisation process.

Sometimes, our mark schemes may allow marks to be awarded to responses which contain elements that are factually incorrect or for content not covered by the syllabus. We do this in response to the demands of a specific question to support candidates and make sure that our assessments are fair. However, these allowances should not be used as a guide for teaching and learning.

We cannot discuss the mark scheme with schools, and we recommend that schools read the mark scheme together with the assessment material and the Principal Examiner Report for Teachers.

This document consists of **25** printed pages.

General marking principles

All examiners must apply these marking principles when marking candidate responses.

1	Examiners must award marks for each response in line with: • the specific **content** defined in the mark scheme • the specific **skills** defined in the mark scheme or in the level descriptions • the **standard of response** required as exemplified by the standardisation scripts.
2	Examiners must award **whole marks** (not half marks, or other fractions).
3	Examiners must award marks **positively**. This means that: • marks are not deducted for errors or omissions • marks are awarded for correct/valid answers as defined in the mark scheme and also for **other valid answers** which go beyond the scope of the syllabus and mark scheme referring to your team leader as appropriate • the quality of spelling, punctuation and grammar are judged **only** when the mark scheme indicates that these features are **specifically assessed** in the question. However, the meaning of all responses must be unambiguous.
4	Examiners must **consistently** apply the requirements of the mark scheme and any rules for what to do when candidates have not followed instructions correctly.
5	Examiners must use the **full range of marks** defined in the mark scheme, unless limited by the quality of the candidate responses seen.
6	Examiners must award marks according to the mark scheme and **must not** award marks with grade thresholds or grade descriptions in mind.

Social Sciences-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. corrasion/corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
✓	Indicates a point which is relevant and rewardable.
✗	Indicates a point which is inaccurate/irrelevant and not rewardable.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates where application is made to an appropriate business context.
AN	Indicates where the answer has demonstrated analysis – **questions 4**, **5(a)**, **5(b)**, **6(a)** and **6(b)**.
EVAL	Indicates where the answer has demonstrated evaluation – (Section B Part (b) questions only).
BOD	Used when the benefit of the doubt is given in order to reward a response.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
TV	Used when parts of the answer are considered to be too vague
SEEN	Indicates that content has been recognised but not rewarded.

Annotation	Meaning
REP	Indicates where content has been repeated.
L1	Indicates a Level 1 point is made.
L2	Indicates a Level 2 point is made.
L3	Indicates a Level 3 point is made.
Off page comment	**Used to view PE comments on practice scripts only** – displayed at the bottom of the screen when clicking the comments button/toggle.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Mark Grids for Section A

Used for Question 1(a), Question 2(a) and Question 3(a)

Two marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding	**Marks**	
Knowledge of the term that demonstrates a clear understanding of the term.	**2**	Indicated by 2 ✓ ✓ where appropriate in the answer
Knowledge of the term that demonstrates a partial understanding of the term.	**1**	Indicated by 1 ✓ where appropriate in the answer
No creditable response.	**0**	

Used for Question 1(b), Question 2(b) and Question 3(b)

Three marks in total can be awarded for these questions. Ticks (✓) are used to show where the candidate has been given these marks.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context. Indicated by a further ✓ where appropriate in the answer
1 mark Knowledge of **one** relevant point is used to answer the question. Indicated by 1 ✓ where appropriate in the answer	**1 mark** Limited application of **one** relevant point to a business context. Indicated by 1 ✓ where appropriate in the answer
0 marks No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(a)	**Define the term ‘stakeholder.’** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • People or organisations (or examples) who have an interest in or are affected/influenced by the activities/decisions of a business (2) Clear understanding of the term is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** • Examples of stakeholders such as employees/owners/customers/government (1) Partial understanding of the term is worth 1 mark. This is indicated by 1 tick ✓. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	2

Question	Answer	Marks
1(b)	**Explain <u>one</u> responsibility of an employee to a business.** **THERE ARE 3 MARKS FOR THIS *QUESTION – 1 mark for knowledge and understanding and 2 marks for application*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding - 1 mark for identifying ONE responsibility** Responses may include: • To work effectively/productively • Meet the business' clear expectations • Understand and contribute to business objectives • To fulfil terms of contract of employment • To follow business policy/regulations • Not damage the business reputation • Not give/sell employer's trade secrets to competitors • Duty of care for other employees/for equipment **PUT 1 TICK IN BODY OF THE SCRIPT WHERE A RESPONSIBILITY IS GIVEN.** **AO2 Application – 2 marks for a DEVELOPED explanation of ONE RESPONSIBILITY.** **– 1 mark for a LIMITED explanation of ONE RESPONSIBILITY.** • Examples may be given in the context of different employees – managers/shopfloor workers • Effective and productive employees will perform the duties of their position to the best of their ability • Motivated to work towards business objectives(output) and increase profits • Come to work when expected, manage their time well and be a positive part of the team • Following company policies and protocols leads to less accidents and legal issues • Consult managers with any questions or problems to get the job right first time and avoid costly waste • Accept responsibility for their own mistakes to prevent a blame culture affecting working relations	**3**

Question	Answer	Marks
1(b)	• Work for the good of the business to help it maintain its position in the market • Using business resources – equipment/materials only for business purposes **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	

Question	Answer	Marks
2(a)	**Define the term ‘capital expenditure.’** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • Purchase of fixed/non-current assets / that are expected to last over a long period / such as buildings and machinery (2) Clear understanding of the term *capital expenditure* is worth 2 marks. This is indicated by 2 ticks ✔✔. **PARTIAL UNDERSTANDING (1 mark)** • Purchase of machinery/buildings (1) Partial understanding of the term is worth 1 mark. This is indicated by 1 tick ✔. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	**2**

Question	Answer	Marks
2(b)	**Explain <u>one</u> reason why working capital is important to a business.** **THERE ARE 3 MARKS FOR THIS QUESTION – *1 mark for knowledge and understanding and 2 marks for application*.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE reason.** Reasons include: • Maintain cash flow on day-to-day basis • Enables business to continue trading • Funds business operations • Cover operational costs • Ensures business does not run out of cash • Facilitates inventory management • Gives credibility to a business • Meeting short term obligations such as emergency funding gaps **PUT 1 TICK IN THE BODY OF THE SCRIPT WHERE A REASON IS GIVEN.** **AO2 Application – 2 marks for DEVELOPED explanation of ONE reason.** **– 1 mark for LIMITED explanation of ONE reason.** • Requires inventory management so do not have too much money tied up in stock • If business runs out of cash won't be able to pay wages/suppliers • Cover costs of electricity, water, telephone • Fund operations such as buying more materials • Maintain cashflow so that the business manages inflows and outflows, e.g. debt management • Ensures ability to continue trading by ensuring liquidity • Demonstrates business reliability-maintains good relationship with suppliers/lenders	**3**

Question	Answer	Marks
2(b)	**PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	

Question	Answer	Marks
3(a)	**Define the term 'unfair dismissal'.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** **CLEAR UNDERSTANDING (2 marks)** • Ending a worker's employment contract for a reason the law regards as being unlawful/unreasonable (such as dismissal of a women who becomes pregnant (2) • Workers fired without any performance or behaviour related problems (2) • Workers forced out without a justified reason (2) • Workers dismissed for unethical/biased reasons (2) Clear understanding of the term unfair dismissal is worth 2 marks. This is indicated by 2 ticks ✓✓. **PARTIAL UNDERSTANDING (1 mark)** Identification of part of the answer • Workers wrongly sacked/fired/dismissed (1) Partial understanding of the term is worth 1 mark. This is indicated by 1 tick ✓. **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	2

Question	Answer	Marks
3(b)	**Explain <u>one</u> reason why a business may need a workforce plan.** ***THERE ARE 3 MARKS FOR THIS QUESTION – 1 mark for knowledge and understanding and 2 marks for application*** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE reason.** Reasons include: • Informs/forecasts the number of employees required in the future • Informs HR of employee skills required • Identifies existing skills • Allows response to product demand forecasts • Anticipates staff leaving • Reduces costs / predicts future costs **PUT 1 TICK IN THE BODY OF THE SCRIPT WHERE A REASON IS GIVEN.** **AO2 Application – 2 marks for DEVELOPED explanation of ONE reason.** **– 1 mark for LIMITED explanation of ONE reason.** • Knowing staff numbers can indicate recruitment requirements • Knowing skills needed means training can be planned for • Talented staff can be targeted for promotion • Future increases in demand can be planned for • Enables business to have contingency plan for when staff leave • Prevents overstaffing / wastage of resources **PUT 1 or 2 TICKS IN THE BODY OF THE SCRIPT.** Accept all valid responses.	**3**

Question	Answer	Marks
4	**Analyse <u>one</u> reason why a business measures labour productivity.** ***Note: no marks can be awarded if a relevant way has not been identified*** **Indicative content** Responses may include: **Knowledge and understanding – 1 mark for identifying ONE reason.** • To identify level of productivity in the business • To compare level of productivity with expected level • To determine the level in relation to competitors • To measure efficiency of workforce • To identify areas for improvement • To provide information for business decisions • To control costs **Application – 2 marks for a DEVELOPED application of ONE reason** **– 1 mark for LIMITED application of ONE reason** • Labour is likely a major business cost • Important to track output per worker • Labour productivity is a key element in overall business efficiency • In a search for cost reduction labour productivity is crucial • Labour productivity measurement reveals opportunities for efficiency improvement e.g. reward workers with bonuses • Need to train workers so to improve labour performance **Analysis – 2 marks for DEVELOPED analysis of ONE reason** **– 1 mark for LIMITED analysis of ONE reason** • Provides opportunities for decisions that can generate more output from same or fewer inputs	**5**

Question	Answer	Marks
4	• Information produced that may lead to more efficient use of business resources • Resulting increase in labour productivity can mean positive changes in speed of service or quality of product/service • Improved labour productivity can create room for improved worker incentives such as better reward systems • Improved labour productivity can lower costs and boost profits • Low productivity can lead to releasing workers Accept all valid responses.	

Question	Answer	Marks
5(a)	**Analyse <u>two</u> reasons why a business may have a direct channel of distribution.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE reason.** Reasons include: • No need for intermediaries when a business is small and local • Business has complete control over marketing mix – e.g. quality control • Speedier delivery is possible • Direct contact with consumers is possible – builds relationships with customers • Produces feedback from customers • Handling perishable goods requires a direct channel of distribution • Reduces costs of distribution – cheaper prices **AO2 Application – 1 mark for application/explanation of ONE reason.** • No intermediaries mean there will be no mark-up by other businesses such as retailers	**8**

Question	Answer	Marks
5(a)	• Having control over the marketing mix such as how the product/service is sold, promoted and priced to consumers • Direct contact with consumers offers useful market research/feedback/personal service • Perishable goods can quickly decay, so fast delivery is vital • Business may already have a website that can be adapted for direct selling • No middlemen to share profits with **AO3 Analysis – up to 2 marks for analysis of ONE reason – 2 marks for DEVELOPED analysis of ONE reason (L2 AN) or 1 mark for LIMITED analysis of ONE reason (L1 AN).** • No mark-up therefore means greater profit margins are possible • Being fully in control of all aspects of the marketing mix may lead to greater sales and revenues, for example, if a business is able to price lower than competitors • Direct contact with consumers could lead to attracting and retaining customers and customer loyalty • Need to maintain quality of goods for sale to customers • Selling via internet may open up overseas markets and increase sales • Higher profit margins as a result of reduced price Accept all valid responses.	
5(b)	**Evaluate the extent to which mass marketing is essential for the success of a fast-food business.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED knowledge and understanding (L2 K) – 1 mark for LIMITED knowledge and understanding (L1 K)** • Mass marketing is selling the same products to the whole market with no attempt to target groups within it. • Different measures of success within a business i.e. profitability, customer satisfaction, market share, revenues, growth, employee satisfaction	**12**

Question	Answer	Marks
5(b)	**AO2 Application/Context – 2 marks for DEVELOPED application/context (L2 APP) – 1 mark for LIMITED application/context (L1 APP)** • Named businesses, e.g. McDonalds, Burger King, KFC • Relevant terms such as ingredients, meat, bread, beef, fish burgers, soft drinks (coke) • Characteristics of a fast-food business **AO3 Analysis – 2 marks for DEVELOPED analysis (L2 AN) – 1 mark for LIMITED analysis (L1 AN)** • Mass marketing drives high volume sales necessary for profitability • The production of standardised food products delivers economies of scale • Establishes immediate brand recognition • Ensures widespread visibility in a crowded marketplace • Utilising broad channels **–** television, radio, social media **–** fast food chains so can reach massive audiences, foster brand loyalty, and encourage quick habitual purchases from customers seeking convenience food • Cost efficiency **–** no need for business to contact consumers individually and production costs are lowered as mass marketed products reach more consumers	

Question	Answer	Marks
5(b)	**AO4 Evaluation - 6 marks for evaluation (EVAL)**	

DEVELOPED evaluation IN context:	**Developed/Supported judgement in context**	**(L3 EVAL)**	**SIX marks**
DEVELOPED evaluation IN context:	**Developed/Reasonable evaluative comments in context**	**(L3 EVAL)**	**FIVE marks**
DEVELOPED evaluation NOT in context:	**Developed/Supported judgement without context**	**(L2 EVAL)**	**FOUR marks**
DEVELOPED evaluation NOT in context:	**Developed/Reasonable evaluative comments without context**	**(L2 EVAL)**	**THREE marks**
LIMITED evaluation NOT in context:	**Limited supported judgement**	**(L1 EVAL)**	**TWO marks**
LIMITED evaluation NOT in context:	**An attempt to balance the arguments/Weak attempt at evaluative comments**	**(L1 EVAL)**	**ONE mark**

A judgment/conclusion is made as to whether customer relationship marketing (CRM) is the most important factor that will affect the success of a fast-food franchise.

These judgements/conclusions may be made at any point in the essay, not only in a concluding section.

- What would be classed as success for this type of business e.g. brand leader?
- Would success be increasing number of sales, value of sales, market share?
- How important is mass marketing within the fast- food industry which is a highly competitive market?
- It may depend on the business objectives.
- It may depend on whether the business can finance mass marketing.
- Customer retention can be a critical metric for any business.
- Might depend on how well established the business is.

Accept all valid responses.

Question	Answer	Marks
6(a)	**Analyse two factors which may influence a business' choice of sources of finance.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 1 mark for identifying ONE factor (K)** • Purpose of business finance • Duration of time/long term or short term • Reputation of the business • Past trading record of the business • Amount of finance needed • Amount of control required • Security/collateral available • Speed with which finance can be provided • Method of credit repayment • Cost of available finance • Type of business • Stage in the life cycle of a business • Size of business • Risk involved • Amount of debt • Ability to repay **AO2 Application – 1 mark for application of ONE factor (APP)** • Start-up finance, expansion, product development needs • Short term/long term funding needs • Suitable source of finance to suit the business needs e.g. owner's savings, crowdfunding, overdraft, trade credit, loan, share capital, retained earnings • Strength of the business - brand/reputation/customer loyalty	8

Question	Answer	Marks
6(a)	**AO3 Analysis – up to 2 marks for analysis of each factor – 2 marks for DEVELOPED analysis of each factor (L2 AN) – 1 mark for LIMITED analysis of each factor (L1 AN)** • Start-up business with no established record or reputation may have to rely on owner's savings or crowdfunding as not attractive to other investors • Small established business wanting to grow may take on more partners/owners but limit this to keep control with original owner • Finance such as overdraft or trade credit will give short term boost to working capital to cover temporary problems • Business with trading record may gain a loan from the bank to pay back long term with interest • Limited company may sell more shares to raise larger amount of finance but may further dilute ownership of existing owners • Profitable business may have retained earnings to use without diluting ownership further or borrowing money Accept all valid responses.	
6(b)	**Evaluate whether using break-even analysis is essential for the success of a new hotel.** **Indicative content** Responses may include: **AO1 Knowledge and understanding – 2 marks for DEVELOPED knowledge and understanding (L2 K) – 1 mark for LIMITED knowledge and understanding (L1 K)** • Break even analysis determines the number of units and amount of revenue that is needed to cover a business's total costs. • Different measures of success within a business such as cash flow forecasts, market share, profitability	12

Question	Answer	Marks
6(b)	See below	

AO2 Application – 2 marks for DEVELOPED application/context (L2 APP) – 1 mark for LIMITED application/context (L1 APP)

- Allows the new hotel to classify the different costs of running a hotel – staff, receptionist, cleaners, etc.
- Enables potential cost centre revenues to be calculated from room sales, bar sales, food, spa treatments, etc.

AO3 Analysis – 2 marks for DEVELOPED analysis (L2 AN) – 1 mark for LIMITED analysis (L1 AN)

- The technique can be used to help increase the chances of success for a new hotel – ensuring the new business gets off to the best possible start.
- Can provide information, such as is it worth going ahead with this new hotel – which could prevent significant losses.
- As an essential part of a business plan – which the new business could use it to gain investment.
- Variable costs can change regularly – so the break-even analysis may not be accurate.
- Management can look at the profit generated at different levels of sales/room occupancy – which can help with future financial planning.
- Find out the required sales levels to reach target profit – so can plan marketing budgets/materials needed.
- Enables management to look at impact of changes in room price and costs – which enables budgets to be set.

AO4 Evaluation – 6 marks for evaluation (EVAL)

DEVELOPED evaluation IN context:	**Developed/Supported judgement in context (new hotel)**	**(L3 EVAL)**	**SIX marks**
DEVELOPED evaluation IN context:	**Developed/Reasonable evaluative comments in context (new hotel)**	**(L3 EVAL)**	**FIVE marks**
DEVELOPED evaluation NOT in context:	**Developed/Supported judgement without context**	**(L2 EVAL)**	**FOUR marks**
DEVELOPED evaluation NOT in context:	**Developed/Reasonable evaluative comments without context**	**(L2 EVAL)**	**THREE marks**
LIMITED evaluation NOT in context:	**Limited supported judgement**	**(L1 EVAL)**	**TWO marks**
LIMITED evaluation NOT in context:	**An attempt to balance the arguments/Weak attempt at evaluative comments**	**(L1 EVAL)**	**ONE mark**

Question	Answer	Marks
6(b)	*A judgment/conclusion is made as to whether break-even analysis is the most important finance activity for a new hotel.* *These judgements/conclusions may be made at any point in the essay, not only in a concluding section.* • A judgement/conclusion is made as to the importance of break- even analysis or any other activity for the success of a new hotel. • Such judgements/conclusions may be made at any point in the essay, not only in a concluding section. • A conclusion about what the new hotel hopes to achieve in the long and short term, and the contribution break-even analysis could make • A judgement that break-even analysis assumes that costs and revenues are always represented by straight lines is unrealistic and there cannot be relied upon to provide accurate information. • A conclusion that it does not predict demand so break even analysis can often be more ambitious than initially thought. • A judgement that the strategies and performance of competitors are not factored into the equation. • A judgement about the environment in which the hotel exists and that it is subject to factors beyond its control e.g. economic downturn or worldwide pandemic. • A conclusion that break-even analysis should be seen as a planning aid rather than a decision-making tool. • A judgement that other finance activities are more important, (cash flow forecasts) Accept all valid responses.	

Mark Grids for Section B

Used for Question 5(a) and Question 6(a)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question. • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Mark Grids for Section B

Used for Question 5(b) and Question 6(b)

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

