



## Cambridge International AS & A Level

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**BUSINESS**

**9609/11**

Paper 1 Short Answer and Essay

**May/June 2021**

MARK SCHEME

Maximum Mark: 40

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**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 2021 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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This document consists of **18** 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 descriptors 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 Paper 1 Specific Marking Principles**

Marks are awarded for each answer when the following Assessment Objectives (AO) are met. The mark scheme for each answer indicates when and how each AO can be met.

**AO1 – Demonstrate knowledge and understanding of business concepts.**

The focus in Section A of the Examination Paper is on this first AO.

- Questions 1, 2, and 4 will meet this AO using definitions and explanations of business concepts.
- Question 3 provides an opportunity for the application and a more developed explanation of a business concept. The 4–5-mark level specifically provides for this more developed explanation.

In Section B of the Examination Paper

- Questions 5, 6, and 7 still require supporting Knowledge and Understanding (AO1), but there is now a focus on **Application (AO2)**, **Analysis (AO3)**, and **Evaluation (AO4)**. These skills are set out below:

**AO2 – Apply knowledge and understanding of business concepts to general and specific situations and contexts.**

- Where a specific business or context is named in the question then the candidate is required to relate answers specifically to this business or context.
- It is not sufficient to merely repeat the name of the business or the context.

**AO3 – Analyse business problems, issues, situations and contexts, through a discussion and interpretation of evidence, debate, theory, impact and consequence, to produce reasoned and coherent arguments.**

- Level 3 answers will likely use terms such as – because, leads to, therefore, so that, as a result, consequently – thereby showing analytical development for AO3.

**AO4 – Limited Evaluation is given**

- When an attempt is made, (probably in a concluding section of an answer), to address and comment on the value and validity of the previous analysis.
- These comments may be quite brief and be more opinionated than reasoned.
- A mere concluding summary of preceding analysis is, however, not evaluation.

**AO4 – Evaluation occurs**

- When an answer comments on the validity/significance of previous analysis in an evidence based and reasoned way.
- This often leads to the presentation of appropriate substantiated judgements, decisions, or recommendations.

**9609 Paper 11, 12 and 13****Annotations and their Use**

<b>Annotation</b>	<b>Use</b>
✓	As an indication of relevant and rewardable content. Better to put these in the body of the answer.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
BOD	Used when the benefit of the doubt is given in order to reward a response.
TV	Used when parts of the answer are considered to be too vague.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates that there is specific application to the context of the question.
AN	Indicates where the answer has demonstrated analysis.
EVAL	Indicates where the answer has demonstrated evaluation.
REP	This indicates where content has been repeated.
SEEN	Indicates that content has been recognised but not rewarded.

Question	Answer	Marks
1(a)	<p><b>Define the term ‘laissez-faire leadership’.</b></p> <ul style="list-style-type: none"> <li>• a relaxed / hands-off / laid-back approach (1)</li> <li>• less control / authority / supervision by managers (1)</li> <li>• employees trusted to take decisions (1)</li> <li>• employees have authority to initiate and complete projects / delegation (1)</li> </ul> <p>Sound definition 2 of the factors listed above (2 marks)            Partial definition 1 of the factors listed above (1 mark)            No creditable content (0 marks)</p>	<b>2</b>
1(b)	<p><b>Explain <u>two</u> disadvantages to employees of autocratic leadership.</b></p> <p><i>Answers could include:</i></p> <ul style="list-style-type: none"> <li>• The strict supervision might be demotivating.</li> <li>• A lack of ideas from the employees; they do not feel valued or trusted.</li> <li>• One-way communication; the ideas of employees are not heard.</li> <li>• A lack of motivation / job satisfaction / morale.</li> <li>• Less chance for employees to ask questions.</li> <li>• Less chance/opportunity for employee creativity.</li> <li>• Lack of trust between managers and employees.</li> <li>• Decisions only taken by hierarchy, do not reflect the business as a whole.</li> <li>• <b>Accept any other valid response.</b></li> </ul> <p>Sound explanation of <b>two</b> disadvantages to employees of autocratic leadership. (3 marks)            Sound explanation of <b>one</b> disadvantage to employees of autocratic leadership or a partial explanation of <b>two</b> disadvantages. (2 marks)            Partial explanation of <b>one</b> disadvantage to employees of autocratic leadership or a list of <b>two</b> disadvantages. (1 mark)            No creditable content (0 mark)</p>	<b>3</b>

Question	Answer	Marks
2(a)	<p><b>Define the term ‘market segmentation’.</b></p> <ul style="list-style-type: none"> <li>• an approach to marketing (1)</li> <li>• identifies different sub-groups within a market (1)</li> <li>• targeting different products to each market segment / type of customer (1)</li> <li>• segmentation might be due to age / social factors / income levels / geographic / sociological factors. (1)</li> <li>• customers with similar needs/characteristics (1)</li> </ul> <p>Sound definition 2 of the factors listed above (2 marks)            Partial definition 1 of the factors listed above (1 mark)            No creditable content (0 marks)</p>	<b>2</b>

Question	Answer	Marks
2(b)	<p><b>Explain <u>two</u> benefits to a business of market segmentation.</b></p> <p><i>Answers could include:</i></p> <ul style="list-style-type: none"> <li>• better able to target potential customers.</li> <li>• target only segments that have high demand to maximise profits.</li> <li>• marketing costs can be lowered due to more specific targeting.</li> <li>• marketing personalised to maintain brand loyalty.</li> <li>• different strategies can be used for different segments.</li> <li>• products/services can be designed/developed to satisfy very specific needs of a group of consumers.</li> <li>• businesses can possibly use price discrimination by charging different prices to different sub-groups/segments.</li> <li>• <b>Accept any other valid response.</b></li> </ul> <p>Sound explanation of <b>two</b> benefits to a business of market segmentation. (3 marks)</p> <p>Sound explanation of <b>one</b> benefit to a business of market segmentation or a partial explanation of <b>two</b> benefits. (2 marks)</p> <p>Partial explanation of <b>one</b> benefit to a business of market segmentation or a list of <b>two</b> benefits. (1 mark)</p> <p>No creditable content (0 marks)</p>	<b>3</b>

Question	Answer	Marks
3	<p><b>Explain the advantages to a manufacturing business of using sale and leaseback of non-current assets as a source of finance.</b></p> <p><i>Answers could include:</i></p> <ul style="list-style-type: none"> <li>• Where a business sells an asset in order to raise finance and leases the same asset back from the new owner.</li> <li>• The business will have an inflow of money which could be large if the non-current asset is, for example, a building. This can be used to fund projects or equipment.</li> <li>• The business will still have access to and use of the asset after the sale, therefore the sale should not cause any disruption to the operation of the business.</li> <li>• The payment of regular lease payments can allow for ease of budgeting for a business.</li> <li>• The maintenance of the asset is usually taken over by the new owner, therefore reducing ongoing maintenance costs for the business when it leases the asset back.</li> <li>• <b>Accept any other valid response.</b></li> </ul> <p>Effective explanation of the advantages to a manufacturing business of using sale and leaseback of non-current assets as a source of finance. (4–5 marks)</p> <p>Limited explanation of the advantages to a manufacturing business of using sale and leaseback of non-current assets as a source of finance. (2–3 marks)</p> <p>Explanation of sale and leaseback. (1 mark) No creditable content (0 marks)</p>	5

Question	Answer	Marks
4(a)	<p><b>Define the term ‘inventory reorder level’.</b></p> <ul style="list-style-type: none"> <li>• trigger amount / pre-set level of inventory (1)</li> <li>• where / at which point a business would place a new order for inventory (1)</li> <li>• allows time for new inventory to arrive before current stock runs out (1)</li> </ul> <p>Sound definition 2 of the factors listed above (2 marks) Partial definition 1 of the factors listed above (1 mark) No creditable content (0 marks)</p>	2



Question	Answer	Marks
4(b)	<p><b>Explain <u>two</u> advantages to a business of holding buffer inventory.</b></p> <p><i>Answers could include:</i></p> <ul style="list-style-type: none"> <li>• Allows a business to meet increases in demand.</li> <li>• It prevents shortages in the case of a late delivery or disruption of production of work in progress.</li> <li>• It allows a business to take advantage of bulk buying discounts that can significantly reduce the costs of inventory.</li> <li>• Reduces the effect of price fluctuations.</li> <li>• <b>Accept any other valid response.</b></li> </ul> <p>Sound explanation of <b>two</b> advantages to a business of holding buffer inventory. (3 marks)            Sound explanation of <b>one</b> advantage to a business or partial explanation of <b>two</b> advantages. (2 marks)            Partial explanation of <b>one</b> advantage to a business of holding buffer inventory or a list of <b>two</b>. (1 mark)            No creditable content. (0 marks)</p>	<b>3</b>

Question	Answer	Marks																		
5(a)	<p data-bbox="304 241 1169 280"><b>Analyse the role of small businesses in a country's economy.</b></p> <table border="1" data-bbox="304 311 1323 831"> <thead> <tr> <th data-bbox="304 311 421 376">Level</th> <th data-bbox="421 311 1211 376">Description</th> <th data-bbox="1211 311 1323 376">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="304 376 421 472">4</td> <td data-bbox="421 376 1211 472">Good analysis of the role of small businesses in a country's economy.</td> <td data-bbox="1211 376 1323 472">7–8</td> </tr> <tr> <td data-bbox="304 472 421 568">3</td> <td data-bbox="421 472 1211 568">Limited analysis of the role of small businesses in a country's economy.</td> <td data-bbox="1211 472 1323 568">5–6</td> </tr> <tr> <td data-bbox="304 568 421 665">2</td> <td data-bbox="421 568 1211 665">Application of the role of small businesses in a country's economy.</td> <td data-bbox="1211 568 1323 665">3–4</td> </tr> <tr> <td data-bbox="304 665 421 761">1</td> <td data-bbox="421 665 1211 761">Knowledge and understanding of the role of small businesses.</td> <td data-bbox="1211 665 1323 761">1–2</td> </tr> <tr> <td data-bbox="304 761 421 831">0</td> <td data-bbox="421 761 1211 831">No creditable content.</td> <td data-bbox="1211 761 1323 831">0</td> </tr> </tbody> </table> <p data-bbox="304 862 611 898"><i>Answers could include:</i></p> <p data-bbox="304 929 863 965"><b>Knowledge and Understanding 2 marks</b></p> <ul data-bbox="304 965 1035 1001" style="list-style-type: none"> <li>• Clear understanding of the role of small businesses</li> </ul> <p data-bbox="304 1032 588 1068"><b>Application 2 marks</b></p> <ul data-bbox="304 1068 1106 1104" style="list-style-type: none"> <li>• Reference to the role of small businesses in an economy</li> </ul> <p data-bbox="304 1135 549 1171"><b>Analysis 4 marks</b></p> <p data-bbox="304 1171 544 1207">Small businesses:</p> <ul data-bbox="304 1207 1313 1834" style="list-style-type: none"> <li>• contribute to the economic growth of the country</li> <li>• can react quickly to changes in the economy</li> <li>• are numerous in most countries</li> <li>• might employ a small number of people individually, but collectively create a lot of jobs</li> <li>• might provide goods/services that larger businesses do not e.g. personal services such as hairdressers, plumbers, electricians, car maintenance</li> <li>• sometimes grow into larger businesses and contribute even more to the economy</li> <li>• are located all over the country and not in one location like many larger businesses</li> <li>• will pay tax to the government which can then be used for e.g. improved infrastructure or education etc.</li> <li>• often service the needs of larger businesses</li> <li>• offer specialised products/services</li> <li>• might increase competition – perhaps leading to improved quality, lower prices.</li> <li>• <b>Accept any other valid response.</b></li> </ul>	Level	Description	Marks	4	Good analysis of the role of small businesses in a country's economy.	7–8	3	Limited analysis of the role of small businesses in a country's economy.	5–6	2	Application of the role of small businesses in a country's economy.	3–4	1	Knowledge and understanding of the role of small businesses.	1–2	0	No creditable content.	0	8
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0	No creditable content.	0																		

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5(b)	<p data-bbox="304 248 1198 315"><b>Discuss the importance to an expanding business of effectively communicating its objectives to its workforce.</b></p> <table border="1" data-bbox="304 349 1326 853"> <thead> <tr> <th data-bbox="304 349 421 405">Level</th> <th data-bbox="421 349 1211 405">Description</th> <th data-bbox="1211 349 1326 405">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="304 405 421 528">4</td> <td data-bbox="421 405 1211 528">Effective evaluation of the importance to an expanding business of effectively communicating its objectives to its workforce.</td> <td data-bbox="1211 405 1326 528">9–12</td> </tr> <tr> <td data-bbox="304 528 421 618">3</td> <td data-bbox="421 528 1211 618">Limited evaluation of the importance to a business of communicating its objectives to its workforce.</td> <td data-bbox="1211 528 1326 618">7–8</td> </tr> <tr> <td data-bbox="304 618 421 707">2</td> <td data-bbox="421 618 1211 707">Analysis and application of communicating business objectives to the workforce.</td> <td data-bbox="1211 618 1326 707">3–6</td> </tr> <tr> <td data-bbox="304 707 421 797">1</td> <td data-bbox="421 707 1211 797">Knowledge and understanding of communication / business objectives / workforce.</td> <td data-bbox="1211 707 1326 797">1–2</td> </tr> <tr> <td data-bbox="304 797 421 853">0</td> <td data-bbox="421 797 1211 853">No creditable content.</td> <td data-bbox="1211 797 1326 853">0</td> </tr> </tbody> </table> <p data-bbox="304 891 608 920"><i>Answers could include:</i></p> <p data-bbox="304 958 863 987"><b>Knowledge and Understanding 2 marks</b></p> <ul data-bbox="352 994 967 1093" style="list-style-type: none"> <li>• Clear understanding of communication</li> <li>• Clear understanding of business objectives</li> <li>• Clear understanding of workforce</li> </ul> <p data-bbox="304 1133 587 1162"><b>Application 2 marks</b></p> <ul data-bbox="352 1169 999 1234" style="list-style-type: none"> <li>• Reference to communication with a workforce</li> <li>• Reference to business objectives</li> </ul> <p data-bbox="304 1272 549 1301"><b>Analysis 2 marks</b></p> <ul data-bbox="352 1308 1326 2018" style="list-style-type: none"> <li>• Business objectives: the aims or targets which a business sets that it will strive to achieve in the future.</li> <li>• Objectives can be broken down into divisional, departmental or individual targets, but they all work towards the overall objective of a business.</li> <li>• Communicating will aid the co-ordination of activities.</li> <li>• For communication to be effective the objectives must be understood. Managers must make sure that each employee understands what is required of them in order to meet the overall objectives.</li> <li>• Employees who do not know or understand what the business is trying to achieve are less likely to work towards that goal.</li> <li>• The workforce includes some levels of management – if they are not clear about the business objectives then their guidance to employees might lack the required focus.</li> <li>• Large/expanding business – many employees – can be difficult to communicate with large numbers of people. Some people might not get the information.</li> <li>• For large businesses, perhaps with many departments or different geographical locations it is essential that all parts of the business know exactly what they need to achieve and by what time in order for the business to succeed in meeting its objectives.</li> </ul>	Level	Description	Marks	4	Effective evaluation of the importance to an expanding business of effectively communicating its objectives to its workforce.	9–12	3	Limited evaluation of the importance to a business of communicating its objectives to its workforce.	7–8	2	Analysis and application of communicating business objectives to the workforce.	3–6	1	Knowledge and understanding of communication / business objectives / workforce.	1–2	0	No creditable content.	0	12
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4	Effective evaluation of the importance to an expanding business of effectively communicating its objectives to its workforce.	9–12																		
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Question	Answer	Marks
5(b)	<p><b>Evaluation 6 marks</b></p> <ul style="list-style-type: none"><li>• A candidate should make a judgement as to the importance to an expanding business of effectively communicating its objectives to its workforce.</li><li>• These judgements may be made at any point as well as in a concluding section.</li><li>• The context is an expanding business.</li><li>• Issues are identified that could make effective communication difficult and/or vital.</li><li>• Attempt made to assess the importance of communication, not other problems of an expanding business.</li><li>• <b>Accept any other valid response.</b></li></ul>	

Question	Answer	Marks																					
6	<p><b>‘An accurate cash flow forecast is the most important financial document for a clothing retailer when planning to enter a new market.’</b></p> <p><b>Discuss the extent to which you agree with this view.</b></p> <table border="1" data-bbox="304 416 1326 1167"> <thead> <tr> <th>Level</th> <th>Description</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>Effective evaluation of the extent to which an accurate cash flow forecast is the most important financial document for a clothing retailer when planning to enter a new market.</td> <td>17–20</td> </tr> <tr> <td>4</td> <td>Limited evaluation of the extent to which an accurate cash flow forecast is the most important financial document for a business when planning to enter a new market.</td> <td>15–16</td> </tr> <tr> <td>3</td> <td>Good analysis of whether an accurate cash flow forecast is an important financial document for a business when planning to enter a new market.</td> <td>11–14</td> </tr> <tr> <td>2</td> <td>Limited analysis with application of whether a cash flow forecast is an important financial document for a business.</td> <td>5–10</td> </tr> <tr> <td>1</td> <td>Knowledge and understanding of cash flow forecasts / financial documents / entering a new market.</td> <td>1–4</td> </tr> <tr> <td>0</td> <td>No creditable content.</td> <td>0</td> </tr> </tbody> </table> <p><i>Answers could include:</i></p> <p><b>Knowledge and Understanding 4 marks</b></p> <ul style="list-style-type: none"> <li>• Clear understanding of cash flow forecasts</li> <li>• Clear understanding of financial documents</li> <li>• Clear understanding of entering a new market</li> </ul> <p><b>Application 4 marks</b></p> <ul style="list-style-type: none"> <li>• Reference to the importance of cash flow forecasts</li> <li>• Reference to the use of financial documents</li> <li>• Reference to a business planning to enter a new market</li> </ul> <p><b>Analysis 6 marks</b></p> <ul style="list-style-type: none"> <li>• Cash flow forecast is a prediction of cash inflows and outflows that the business knows will occur in the future and those that it can reasonably expect to occur.</li> <li>• It is a prediction of things that have not yet happened.</li> <li>• Other financial documents include income statement, etc. Most other financial documents are historic i.e. they record revenue, expenditures and asset values from a previous time period.</li> </ul>	Level	Description	Marks	5	Effective evaluation of the extent to which an accurate cash flow forecast is the most important financial document for a clothing retailer when planning to enter a new market.	17–20	4	Limited evaluation of the extent to which an accurate cash flow forecast is the most important financial document for a business when planning to enter a new market.	15–16	3	Good analysis of whether an accurate cash flow forecast is an important financial document for a business when planning to enter a new market.	11–14	2	Limited analysis with application of whether a cash flow forecast is an important financial document for a business.	5–10	1	Knowledge and understanding of cash flow forecasts / financial documents / entering a new market.	1–4	0	No creditable content.	0	20
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0	No creditable content.	0																					

Question	Answer	Marks
6	<ul style="list-style-type: none"> <li>• Cash flow forecasts are produced –               <ul style="list-style-type: none"> <li>- to predict any known or anticipated expenses with entering the new market e.g. advertising costs, staffing costs, transport costs</li> <li>- to plan for any expected changes in cash flows such as seasonal changes depending on the type of clothing sold by this business.</li> <li>- to set targets for the new market. Success of the move into a new market can be judged/measured by comparing the predictions in the cash flow forecast with what actually happened, to learn for the future.</li> <li>- to allow the business to undertake What if analysis of possible outcomes from this venture.</li> </ul> </li> <li>- Arguments for the other financial documents:               <ul style="list-style-type: none"> <li>- The business is likely to need to know its working capital, retained earnings, profit margins etc. All of which are taken from the income statement.</li> <li>- A potential lender might want to see all financial documents to determine the financial strength of the business overall and not just the viability of the new market venture.</li> </ul> </li> </ul> <p><b>Evaluation 6 marks</b></p> <ul style="list-style-type: none"> <li>• A candidate should make a judgement as to the extent to which an accurate cash flow forecast is the most important financial document for a clothing retailer when planning to enter a new market.</li> <li>• These judgements may be made at any point as well as in a concluding section.</li> <li>• The context is a clothing retailer.</li> <li>• Are other financial documents as/more important than a CFF?</li> <li>• Does the business need an injection of finance to allow them to move into a new market?</li> <li>• All financial documents have a purpose/usefulness. It is likely that all financial documents will be important in making such a move, but the cash flow forecast will give some idea of the cash flow outcomes of the new market but not the overall profitability. It might depend on what the new market is: is it a new geographical market, a new market in terms of demographic e.g. from clothing for children to adult clothes; from clothing for women to clothing for men.</li> <li>• A lot could depend on how different the new market is from the one the business currently operates in.</li> <li>• <b>Accept any other valid response.</b></li> </ul>	

Question	Answer	Marks																		
7(a)	<p data-bbox="304 248 1241 311"><b>Analyse the benefits to a business of focusing on staff morale and welfare.</b></p> <table border="1" data-bbox="304 347 1326 831"> <thead> <tr> <th data-bbox="304 347 421 412">Level</th> <th data-bbox="421 347 1211 412">Description</th> <th data-bbox="1211 347 1326 412">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="304 412 421 510">4</td> <td data-bbox="421 412 1211 510">Good analysis of the benefits to a business of focusing on staff morale and welfare.</td> <td data-bbox="1211 412 1326 510">7–8</td> </tr> <tr> <td data-bbox="304 510 421 609">3</td> <td data-bbox="421 510 1211 609">Limited analysis of the benefits to a business of focusing on staff morale and/or welfare.</td> <td data-bbox="1211 510 1326 609">5–6</td> </tr> <tr> <td data-bbox="304 609 421 707">2</td> <td data-bbox="421 609 1211 707">Application of the benefits to a business of focusing on staff morale and/or welfare.</td> <td data-bbox="1211 609 1326 707">3–4</td> </tr> <tr> <td data-bbox="304 707 421 772">1</td> <td data-bbox="421 707 1211 772">Knowledge and understanding of staff morale/welfare.</td> <td data-bbox="1211 707 1326 772">1–2</td> </tr> <tr> <td data-bbox="304 772 421 831">0</td> <td data-bbox="421 772 1211 831">No creditable content.</td> <td data-bbox="1211 772 1326 831">0</td> </tr> </tbody> </table> <p data-bbox="304 866 611 898"><i>Answers could include:</i></p> <p data-bbox="304 934 863 965"><b>Knowledge and Understanding 2 marks</b></p> <ul data-bbox="304 969 831 1037" style="list-style-type: none"> <li>• Clear understanding of staff morale</li> <li>• Clear understanding of staff welfare</li> </ul> <p data-bbox="304 1072 588 1104"><b>Application 2 marks</b></p> <ul data-bbox="304 1108 1070 1140" style="list-style-type: none"> <li>• Reference to staff morale and/or welfare in a business</li> </ul> <p data-bbox="304 1176 549 1207"><b>Analysis 4 marks</b></p> <ul data-bbox="304 1211 1321 1964" style="list-style-type: none"> <li>• Staff morale refers to the level of confidence and enthusiasm that employees feel towards their place of work employers.</li> <li>• Welfare refers to the health and happiness of employees.</li> <li>• A business that takes steps to ensure that staff morale is as high as possible and that the welfare of employees is important to it, is likely to benefit from having a more highly motivated workforce.</li> <li>• When employees feel that their needs are important to their employers, they have increased enthusiasm for work / loyalty to the business and therefore a willingness to work hard for the business.</li> <li>• Employees might be more willing to suggest improvements to the workplace if they feel that their contribution is valued.</li> <li>• An employee who receives help and advice when needed is likely to be a more productive employee. A problem outside work can contribute to poor performance in the workplace. A business that helps to remove that external problem is likely to benefit.</li> <li>• Less labour turnover and reduction in time and money involved in recruitment and selection of new employees.</li> <li>• Less risk of damaged/poor reputation of the business.</li> <li>• A business focusing on staff morale and welfare is likely to make sure that all health and safety guidelines are followed therefore making employees feel safe in the workplace. Employees will also feel that their safety is important to their employers.</li> </ul>	Level	Description	Marks	4	Good analysis of the benefits to a business of focusing on staff morale and welfare.	7–8	3	Limited analysis of the benefits to a business of focusing on staff morale and/or welfare.	5–6	2	Application of the benefits to a business of focusing on staff morale and/or welfare.	3–4	1	Knowledge and understanding of staff morale/welfare.	1–2	0	No creditable content.	0	8
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<b>Question</b>	<b>Answer</b>	<b>Marks</b>
7(a)	<ul style="list-style-type: none"><li>• Staff morale can also be affected by employers paying attention to equality and diversity; all of which leads to employees having confidence that they will be treated fairly, regardless of gender, race, religion etc. This can make a business attractive to potential employees.</li></ul>	



Question	Answer	Marks																		
7(b)	<p><b>Discuss whether the ideas of David McClelland could help managers of a hospital to satisfy the human needs of its employees.</b></p> <table border="1" data-bbox="304 347 1326 965"> <thead> <tr> <th data-bbox="304 347 421 412">Level</th> <th data-bbox="421 347 1211 412">Description</th> <th data-bbox="1211 347 1326 412">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="304 412 421 542">4</td> <td data-bbox="421 412 1211 542">Effective evaluation of whether the ideas of David McClelland could help managers of a hospital to satisfy the human needs of its employees.</td> <td data-bbox="1211 412 1326 542">9–12</td> </tr> <tr> <td data-bbox="304 542 421 672">3</td> <td data-bbox="421 542 1211 672">Limited evaluation of whether the ideas of David McClelland could help managers of a business to satisfy the human needs of its employees.</td> <td data-bbox="1211 542 1326 672">7–8</td> </tr> <tr> <td data-bbox="304 672 421 801">2</td> <td data-bbox="421 672 1211 801">Analysis and application of how a business could use the ideas of David McClelland to satisfy the human needs of its employees.</td> <td data-bbox="1211 672 1326 801">3–6</td> </tr> <tr> <td data-bbox="304 801 421 900">1</td> <td data-bbox="421 801 1211 900">Understanding of David McClelland's ideas / managers / human needs / employees.</td> <td data-bbox="1211 801 1326 900">1–2</td> </tr> <tr> <td data-bbox="304 900 421 965">0</td> <td data-bbox="421 900 1211 965">No creditable content.</td> <td data-bbox="1211 900 1326 965">0</td> </tr> </tbody> </table> <p><i>Answers could include:</i></p> <p><b>Knowledge and Understanding 2 marks</b></p> <ul data-bbox="304 1104 1061 1243" style="list-style-type: none"> <li>• Clear understanding of the ideas of David McClelland</li> <li>• Clear understanding of managers</li> <li>• Clear understanding of human needs</li> <li>• Clear understanding of employees</li> </ul> <p><b>Application 2 marks</b></p> <ul data-bbox="304 1317 925 1384" style="list-style-type: none"> <li>• Reference to the use of McClelland's ideas</li> <li>• Reference to satisfying human needs</li> </ul> <p><b>Analysis 2 marks</b></p> <ul data-bbox="304 1451 1326 1960" style="list-style-type: none"> <li>• Human needs: to be able to feed and clothe oneself; to have shelter (somewhere to live); to have some level of social interaction. Some people also desire social acceptance or respect of their peers/colleagues.</li> <li>• McClelland identified three key motivational factors: Achievement, Affiliation and Authority.</li> <li>• Achievement: some employees need to feel that their contribution to the hospital is recognised and appreciated. Workers who feel that they are fulfilling their potential within a hospital are more likely to feel comfortable and support the hospital. By recognising the achievements of employees and possibly rewarding them, their need for acceptance could be met.</li> <li>• Affiliation: meeting the needs of employees to feel a part of the hospital can be achieved by using focus groups to discuss ways of best dealing with any potential problems. Employees who feel involved are likely to have a more positive view of the hospital, while at the same time, working as part of a group can be meeting their need for social interaction.</li> </ul>	Level	Description	Marks	4	Effective evaluation of whether the ideas of David McClelland could help managers of a hospital to satisfy the human needs of its employees.	9–12	3	Limited evaluation of whether the ideas of David McClelland could help managers of a business to satisfy the human needs of its employees.	7–8	2	Analysis and application of how a business could use the ideas of David McClelland to satisfy the human needs of its employees.	3–6	1	Understanding of David McClelland's ideas / managers / human needs / employees.	1–2	0	No creditable content.	0	12
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7(b)	<ul style="list-style-type: none"> <li>• Authority/Power: Some employees need to feel that they have some input/impact on their work practices. If they are given some input into e.g. how changes will be implemented, then they feel some level of authority over the way the hospital is operating and adapting, perhaps in how patients are cared for. If they can be involved in a decision-making process, employees need for authority can be met as well as their human need of recognition and respect.</li> </ul> <p><b>Evaluation 6 marks</b></p> <ul style="list-style-type: none"> <li>• A candidate should make a judgement as to whether the ideas of David McClelland could help managers of a hospital to satisfy the human needs of its employees.</li> <li>• These judgements may be made at any point as well as in a concluding section.</li> <li>• The context is a hospital.</li> <li>• The extent to which the ideas of McClelland can meet the human needs of employees should be judged.</li> <li>• It can depend on the current approach used by managers in a hospital and the extent to which the employees are involved in discussion about any changes or issues facing the hospital.</li> <li>• McClelland's three factors can meet the human needs of employees, but it requires a level of involvement and trust on the part of the hospital managers.</li> <li>• <b>Accept any other valid response.</b></li> </ul>	