



# Cambridge Pre-U

---

**BUSINESS AND MANAGEMENT**

**9771/01**

Paper 1 Business Concepts

**May/June 2023**

MARK SCHEME

Maximum Mark: 100

---

**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 2023 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U 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 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.

<b>Question</b>	<b>Answer</b>	<b>Marks</b>
1	A	1
2	C	1
3	C	1
4	B	1
5	D	1
6	A	1
7	A	1
8	C	1
9	A	1
10	D	1
11	A	1
12	B	1
13	B	1
14	B	1
15	C	1
16	C	1
17	B	1
18	A	1
19	B	1
20	B	1

Question	Answer	Marks
21(a)(i)	<p><b>Refer to the data in Fig. A.</b></p> <p><b>Calculate FF's capital employed for 2022.</b></p> <p>Capital employed = issued shares + reserves + non-current liabilities or total assets – total liabilities</p> <p>100 + 100 = 200 or (160 + 60) – 20 = 200</p> <p>Answer = £200 000 (accept 200) (1)</p>	<b>1</b>
21(a)(ii)	<p><b>Calculate the change in FF's return on capital employed between 2021 and 2022.</b></p> <p>2022 = <math>(5/200) \times 100 = 2.5\%</math> (OFR from <b>Q21(a)(i)</b> applies) (1)</p> <p>2021 – capital employed = 100 + 40 = 140 or (100 + 50) – 10 = 140</p> <p><math>(55/140) \times 100 = 39.29\%</math> (1)</p> <p>Change between 2021 and 2022 = <math>39.29\% - 2.5\% = 36.79\%</math> (decrease) (OFR)</p> <p>Answer = 36.79% (decrease) or –36.79% or (36.79%) (3)</p>	<b>3</b>

Question	Answer			Marks												
21(b)	<p><b>Evaluate FF's recent performance.</b></p> <table border="1" data-bbox="304 315 1318 712"> <thead> <tr> <th></th> <th>Application</th> <th>Analysis</th> <th>Evaluation</th> </tr> </thead> <tbody> <tr> <td>L2</td> <td></td> <td>Developed analysis of the performance of FF. (2–3 marks)</td> <td>Developed evaluation of the performance of FF. (2 marks)</td> </tr> <tr> <td>L1</td> <td>Answer to <b>(a)</b> or relevant context applied (1 mark)</td> <td>Limited analysis of the performance of FF. (1 mark)</td> <td>Limited evaluation of the performance of FF. (1 mark)</td> </tr> </tbody> </table> <p>Application may include:</p> <ul style="list-style-type: none"> <li>Financial/ratio analysis of Fig. A, including:</li> <li>Increase in sales revenue of 7.7%</li> <li>Increase on COGS of 7.4%</li> <li>GPM – 2021 30.77% to 2022 30.95%</li> <li>NPM/OPM – 2021 14.10% 2022 1.1% Using Operating profit)</li> <li>Increase of expenses of 92%</li> <li>Liquidity – 2021 5 : 1 2022 3 : 1</li> <li>Increase in non-current assets of 60%</li> <li>ROCE – OFR from <b>Q21(b)</b></li> <li>Gearing – 2021 28.57% 2022 50%</li> <li>Return on equity – 2021 55% 2022 5%</li> <li>Partnership, converted to private limited company in 2015</li> <li>Two locations in 2021, third location opened in 2022</li> </ul> <p>Analysis and evaluation may include:</p> <ul style="list-style-type: none"> <li>Increasing sales revenue suggests growth, possibly though inclusion of Coventry shop (unsure when it opened).</li> <li>Expenses have increased by a much higher level than sales, indicating possible diseconomies of scale. However, the new shop has not been open yet – cost may have been incurred before opening, but revenue only after opening.</li> <li>Likewise decreases in profit margins may reflect diseconomies of scale (since sales have increased) or inefficiency, including the distance from and management of the Coventry shop or setting up of the new (London) shop. However, this may be a short-term issue while the new shop is established. Need 2023 management accounts to know more.</li> <li>Gearing has increased – FF is now highly geared. However, this could be due to the costs of setting up the new shop.</li> <li>Short term debt has also increased, but still relatively low.</li> <li>Liquidity has improved, but no idea of the proportion that is stock (which is perishable). Is FF managing its working capital effectively?</li> <li>Overall small profit for 2022, but as a private limited company this is unlikely to lead to a takeover. Assuming Anisha and Harry are the only owners, then the low profit may have been anticipated.</li> </ul>				Application	Analysis	Evaluation	L2		Developed analysis of the performance of FF. (2–3 marks)	Developed evaluation of the performance of FF. (2 marks)	L1	Answer to <b>(a)</b> or relevant context applied (1 mark)	Limited analysis of the performance of FF. (1 mark)	Limited evaluation of the performance of FF. (1 mark)	6
	Application	Analysis	Evaluation													
L2		Developed analysis of the performance of FF. (2–3 marks)	Developed evaluation of the performance of FF. (2 marks)													
L1	Answer to <b>(a)</b> or relevant context applied (1 mark)	Limited analysis of the performance of FF. (1 mark)	Limited evaluation of the performance of FF. (1 mark)													

Question	Answer	Marks
21(b)	Judgement may include: <ul style="list-style-type: none"><li>• A judgement over the recent performance of FF</li><li>• Weighing up of the most useful data/arguments</li><li>• What the judgement may depend upon (external influences, expectations of owners, the 2023 management accounts etc.)</li></ul> <b>ARA</b>	

Question	Answer				Marks
22	<b>Evaluate the usefulness to FF of time series analysis when making decisions about the new shop in central London.</b>				<b>10</b>
	Knowledge	Application	Analysis	Evaluation	
	L2 Developed knowledge of forecasting and time series analysis (2 marks)	Developed application to FF (2 marks)	Developed analysis of time series analysis for FF (2–3 marks)	Developed evaluation of the usefulness to FF when making decisions about the new shop in central London. (2–3 marks)	
	L1 Limited knowledge of forecasting and/or time series analysis (1 mark)	Limited application to FF (1 mark)	Limited analysis of time series analysis for FF (1 mark)	Limited evaluation of the usefulness to FF when making decisions about the new shop in central London. (1 mark)	
<p>Knowledge may include:</p> <ul style="list-style-type: none"> <li>Time series analysis; moving averages, trend, variation (cyclical/seasonal).</li> <li>Forecasting.</li> </ul> <p>Application and analysis may include:</p> <ul style="list-style-type: none"> <li>New shop – opens in 2023 (halfway through financial year). The data does not relate to this.</li> <li>Based in central London, whereas other shops are in Leicester and Coventry – is it really the same market, upon which to base forecasting. Central London may be more corporate/industrial customers compared to Leicester and Coventry.</li> <li>Much of the data in Table A was produced during Covid-19 pandemic – how useful will this data be? Should FF base business decisions on this data when there was such a massive upheaval?</li> <li>Obvious data to show a seasonal/cyclical fluctuation (Spring and summer tend to have higher sales) – which may allow FF to plan its inventory – particularly important with stock that has a relatively short shelf-life.</li> <li>Seasonal business – more demand during spring/summer months – allows FF to plan inventory, HRM and Operations.</li> <li>Will individual festivals/dates be more important than seasons – for example Valentines Day, Mother’s Day etc.</li> <li>Only five years of data (with four data points – a whole year – missed due to moving average technique) – is this enough to base decisions about the new shop</li> </ul>					

Question	Answer	Marks
22	<p>Evaluation may include:</p> <ul style="list-style-type: none"><li>• A judgement over the usefulness to FF of time series analysis when making decisions about the new shop in central London.</li><li>• Weighing up of the main arguments.</li><li>• Justification of the judgement may depend upon (external influences, long run/short run, actions of competitors, etc.).</li></ul> <p><b>ARA</b></p>	

Question	Answer				Marks
23	<b>Evaluate the possible diseconomies of scale that FF may experience as it grows.</b>				<b>10</b>
		Knowledge	Application	Analysis	Evaluation
L2		Developed knowledge of diseconomies of scale (2 marks)	Developed application to FF (2 marks)	Developed analysis to FF (2–3 marks)	Developed evaluation of the possible diseconomies of scale that FF may encounter as it grows (2–3 marks)
L1		Limited knowledge of diseconomies of scale (1 mark)	Limited application to FF (1 mark)	Limited analysis to FF (1 mark)	Limited evaluation of the possible diseconomies of scale that FF may encounter as it grows. (1 mark)
<p>Knowledge may include:</p> <ul style="list-style-type: none"> <li>• An increase in the unit cost as a business increases scale.</li> <li>• Possible diseconomies of scale, such as:</li> <li>• poor communication</li> <li>• demotivation</li> <li>• loss of direction/coordination</li> <li>• technical diseconomies of scale</li> <li>• external diseconomies of scale.</li> </ul> <p>Application may include:</p> <ul style="list-style-type: none"> <li>• Three shops (Leicester, Coventry and London).</li> <li>• Distance between shops currently; Coventry – 22 miles away from Leicester, London – over 100 miles away from Leicester.</li> <li>• London branch run by Fiona (who used to be the deputy manager at Coventry).</li> <li>• Anisha thinks FF may encounter problems; especially poor communication.</li> <li>• Perishable inventory (flowers).</li> <li>• Changes due to the move to ethical floristry.</li> </ul> <p>Analysis may include:</p> <ul style="list-style-type: none"> <li>• Increased unit costs from diseconomies of scale.</li> <li>• Increasing prices to mitigate for the diseconomies of scale – may discourage customers, especially for newer shop in London.</li> <li>• May lead to problems in implementing ethical floristry proposal – shops may need to share suppliers and require new suppliers which will need to be coordinated between branches.</li> </ul>					

Question	Answer	Marks
23	<ul style="list-style-type: none"> <li>• Fiona may become demotivated, threatening the success of the new shop.</li> <li>• Workers in Leicester and Coventry may feel that the business is becoming too corporate as it grows, leading to demotivation.</li> </ul> <p>Evaluation may include:</p> <ul style="list-style-type: none"> <li>• A judgement over the possible diseconomies of scale that FF may encounter as it grows.</li> <li>• A judgement over which diseconomy is most likely/significant.</li> <li>• Weighing up of the main arguments</li> <li>• What the importance might depend upon (external influences, dedication of employees, likelihood of ethical floristry happening, extent of the increase in scale, etc.)</li> </ul> <p><b>ARA</b></p>	

Question	Answer				Marks
24	<b>Recommend whether FF should become a more ethical and sustainable business. Justify your recommendation.</b>				<b>10</b>
		Knowledge	Application	Analysis	Evaluation
		L2 Developed knowledge of ethics and/or sustainability (2 marks)	Developed application to FF (2 marks)	Developed analysis to FF of becoming a more ethical and sustainable business (2–3 marks)	Developed evaluation to FF of becoming a more ethical and sustainable business (2–3 marks)
		L1 Limited knowledge of ethics and/or sustainability (1 mark)	Limited application to FF (1 mark)	Limited analysis to FF of becoming a more ethical and sustainable business (1 mark)	Limited evaluation to FF of becoming a more ethical and sustainable business (1 mark)
<p>Knowledge may include:</p> <ul style="list-style-type: none"> <li>• Possible conflicts and resolutions, ethical code, ethical investments.</li> <li>• The increasing role of ethics in customer behaviour, the impact on businesses of this shift.</li> <li>• The growth of consumer interest in ‘green’ goods and services such as organic products, and the response of business to this demand</li> <li>• Sustainability and business decisions</li> </ul> <p>Application may include:</p> <ul style="list-style-type: none"> <li>• Harry (owner/shareholder) cares about the environment and recently became a vegan.</li> <li>• Power of the ‘green pound is increasing.</li> <li>• 80% of FF’s flowers are currently imported from The Netherlands. Most of these flowers cannot be sourced any closer to the UK.</li> <li>• 10% of FF’s flowers are imported from Kenya. (by airplane from Nairobi). Cannot be economically sourced from any other country.</li> <li>• Some of FF’s suppliers use large amounts of pesticides to control diseases and pests. Harry would like FF to only use suppliers who limit their use of pesticides. This is likely to increase the cost of the flowers and may reduce the shelf-life.</li> <li>• Proposal to only use suppliers who are certified as organic producers by the Soil Association.</li> </ul> <p>Analysis may include:</p> <ul style="list-style-type: none"> <li>• Increased custom from ethical/green customers.</li> <li>• Opportunity to increase prices.</li> <li>• Potential USP for FF to differentiate from competition.</li> <li>• Reduction in varieties of flowers – loss of customers/sales.</li> <li>• Increase in costs from non-use of pesticides.</li> <li>• Cost of only using certified organic producers.</li> </ul>					

Question	Answer	Marks
24	<p>Evaluation may include:</p> <ul style="list-style-type: none"><li>• A recommendation whether FF should become a more ethical and sustainable business.</li><li>• Weighing up of the main advantages and comparison with disadvantages</li><li>• What the decision might depend upon (external influences, likely reaction of customers, reaction of competitors, etc.)</li></ul> <p><b>ARA</b></p>	

Question	Answer				Marks																				
25	<p><b>Nectar is the largest loyalty card scheme in the UK and comprises a number of partner companies including Sainsbury's, Esso and eBay. Evaluate the advantages and disadvantages to a business of using a loyalty card scheme.</b></p> <table border="1" data-bbox="304 412 1318 1016"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Application</th> <th>Analysis</th> <th>Evaluation</th> </tr> </thead> <tbody> <tr> <td>L3</td> <td></td> <td>Extensive application to selected businesses (7–8 marks)</td> <td>Extensive analysis (9–13 marks)</td> <td>Extensive evaluation (9–13 marks)</td> </tr> <tr> <td>L2</td> <td>Developed knowledge (4–6 marks)</td> <td>Developed application to selected businesses (4–6 marks)</td> <td>Developed analysis (4–8 marks)</td> <td>Developed evaluation (4–8 marks)</td> </tr> <tr> <td>L1</td> <td>Limited knowledge (1–3 marks)</td> <td>Limited application to selected businesses (1–3 marks)</td> <td>Limited analysis (1–3 marks)</td> <td>Limited evaluation (1–3 marks)</td> </tr> </tbody> </table> <p>Knowledge may include:</p> <ul style="list-style-type: none"> <li>• Customer relationship management (CRM).</li> <li>• Personalised marketing, consumer databases.</li> <li>• Market objectives, resource and research.</li> <li>• Marketing mix; product, price, promotion, place.</li> </ul> <p>Application may include:</p> <ul style="list-style-type: none"> <li>• Relevant references to real world business examples.</li> </ul> <p>Analysis may include:</p> <p>Benefits of a loyalty card scheme such as:</p> <ul style="list-style-type: none"> <li>• Data collection about customers – personalised marketing – increased sales.</li> <li>• Reducing the competitiveness of the market – locking in customers – market power.</li> <li>• Ability to sell data to third party businesses – new revenue stream.</li> </ul> <p>Drawbacks of a loyalty scheme such as:</p> <ul style="list-style-type: none"> <li>• Cost of administering the scheme.</li> <li>• Cost of delivering sales promotions (money off, reduced prices etc.).</li> <li>• Chance of bad publicity, data breaches etc.</li> </ul> <p>Evaluation may include:</p> <ul style="list-style-type: none"> <li>• A judgement over the usefulness of a business using a loyalty card scheme.</li> <li>• Weighing up of the advantages and disadvantages.</li> <li>• What the judgement might depend upon (nature of the market, cost/benefit of scheme, nature of business/product, structure of the scheme, businesses involved, etc.)</li> </ul> <p><b>ARA</b></p>					Knowledge	Application	Analysis	Evaluation	L3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)	L2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)	L1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)	40
	Knowledge	Application	Analysis	Evaluation																					
L3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)																					
L2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)																					
L1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)																					

Question	Answer				Marks																				
26	<p><b>'We are stubborn on vision. We are flexible on details.'</b> (Jeff Bezos, founder of Amazon).</p> <p><b>Evaluate the benefits of flexibility to e-commerce platforms.</b></p> <table border="1" data-bbox="304 416 1318 1037"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Application</th> <th>Analysis</th> <th>Evaluation</th> </tr> </thead> <tbody> <tr> <td>L3</td> <td></td> <td>Extensive application to selected businesses (7–8 marks)</td> <td>Extensive analysis (9–13 marks)</td> <td>Extensive evaluation (9–13 marks)</td> </tr> <tr> <td>L2</td> <td>Developed knowledge (4–6 marks)</td> <td>Developed application to selected businesses (4–6 marks)</td> <td>Developed analysis (4–8 marks)</td> <td>Developed evaluation (4–8 marks)</td> </tr> <tr> <td>L1</td> <td>Limited knowledge (1–3 marks)</td> <td>Limited application to selected businesses (1–3 marks)</td> <td>Limited analysis (1–3 marks)</td> <td>Limited evaluation (1–3 marks)</td> </tr> </tbody> </table> <p>Knowledge may include:</p> <ul style="list-style-type: none"> <li>Flexible specialisation</li> <li>Production methods</li> <li>Links with inventory, quality, continuous improvement, etc.</li> <li>E-commerce</li> </ul> <p>Application may include:</p> <ul style="list-style-type: none"> <li>Relevant references to real world business examples</li> </ul> <p>Analysis may include: The potential benefits, including:</p> <ul style="list-style-type: none"> <li>lower costs from flexible workers/capital</li> <li>increased revenue</li> <li>Reputation/loyalty.</li> </ul> <p>The potential costs, including:</p> <ul style="list-style-type: none"> <li>Lack of economies of scale</li> <li>Increased costs from needing flexible workers/capital</li> <li>Risks of not meeting customer demand.</li> </ul> <p>Evaluation may include:</p> <ul style="list-style-type: none"> <li>A judgement over potential benefits of flexible specialisation to e-commerce platforms.</li> <li>Weighing up of the main arguments/benefits</li> <li>What the benefits might depend upon (external influences, nature of business/product, scale of business, costs of flexibility, changing consumer preferences, other e-commerce platforms, etc.)</li> </ul> <p><b>ARA</b></p>					Knowledge	Application	Analysis	Evaluation	L3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)	L2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)	L1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)	40
	Knowledge	Application	Analysis	Evaluation																					
L3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)																					
L2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)																					
L1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)																					

Question	Answer				Marks																				
27	<p><b>The number of people who did some work at home in 2020 rose by 9.4 percentage points from a year earlier to 35.9% of the workforce – representing more than 11 million employees.</b></p> <p><b>Evaluate the impact on UK businesses of an increase in working from home.</b></p> <table border="1" data-bbox="304 483 1318 1149"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Application</th> <th>Analysis</th> <th>Evaluation</th> </tr> </thead> <tbody> <tr> <td>L3</td> <td></td> <td>Extensive application to selected businesses (7–8 marks)</td> <td>Extensive analysis (9–13 marks)</td> <td>Extensive evaluation (9–13 marks)</td> </tr> <tr> <td>L2</td> <td>Developed knowledge (4–6 marks)</td> <td>Developed application to selected businesses (4–6 marks)</td> <td>Developed analysis (4–8 marks)</td> <td>Developed evaluation (4–8 marks)</td> </tr> <tr> <td>L1</td> <td>Limited knowledge (1–3 marks)</td> <td>Limited application to selected businesses (1–3 marks)</td> <td>Limited analysis (1–3 marks)</td> <td>Limited evaluation (1–3 marks)</td> </tr> </tbody> </table> <p>Knowledge may include:</p> <ul style="list-style-type: none"> <li>The impact of flexible working practices</li> <li>Workforce planning</li> <li>The implications and benefits of flexible working on employers/employees.</li> </ul> <p>Application may include:</p> <ul style="list-style-type: none"> <li>Relevant references to real world business examples</li> <li>Use of text – increasing home working.</li> </ul> <p>Analysis may include:</p> <p>The advantages to UK businesses of an increase in working from home:</p> <ul style="list-style-type: none"> <li>Reduced costs from less need for offices/premises</li> <li>Lower costs of health and safety/facilities, etc.</li> <li>Potential for higher productivity – e.g. no lost time for lateness</li> <li>Possibility of reduced absenteeism.</li> </ul> <p>Disadvantages to UK business of an increase in working from home:</p> <ul style="list-style-type: none"> <li>Potential for distraction of employees in own home</li> <li>Reduced productivity</li> <li>Less supervision of employees</li> <li>Possibility of employees operating in unsafe conditions.</li> </ul>					Knowledge	Application	Analysis	Evaluation	L3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)	L2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)	L1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)	40
	Knowledge	Application	Analysis	Evaluation																					
L3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)																					
L2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)																					
L1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)																					

Question	Answer	Marks
27	<p>Evaluation may include:</p> <ul style="list-style-type: none"><li>• A judgement over the advantages and disadvantages to UK businesses of an increase in working from home.</li><li>• Weighing up of the main arguments</li><li>• What the advantages and disadvantages might depend upon (technology, pandemics, type of employees, nature of the work, social trends, etc.)</li></ul> <p><b>ARA</b></p>	

Question	Answer				Marks
28	<b>Evaluate the extent to which public limited companies are controlled by their shareholders.</b>				<b>40</b>
	Knowledge	Application	Analysis	Evaluation	
	L3	Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)	
	L2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)
	L1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)
<p>Knowledge may include:</p> <ul style="list-style-type: none"> <li>• Legal structure of business; public limited companies</li> <li>• Limited liability</li> <li>• Shareholders as owners</li> </ul> <p>Application may include:</p> <ul style="list-style-type: none"> <li>• Relevant references to real world business examples</li> </ul> <p>Analysis may include:</p> <ul style="list-style-type: none"> <li>• Shareholders are the owners of PLCs and have a right to control their capital.</li> <li>• Under the Companies Acts some decisions, such as changing the company's articles, can only be made by the shareholders.</li> <li>• The directors may need the shareholders' consent, by means of an ordinary or special resolution for important decisions.</li> <li>• Shareholders have the opportunity to partake in decision making through the AGM and at other important decision points.</li> <li>• Shareholders elect the Board of Directors and since they make the day-to-day decisions, this is a form of control.</li> <li>• Some shareholders may be members of the Board of Directors.</li> <li>• However, most decisions do not involve the shareholders – divorce between ownership and control.</li> <li>• Articles of Association will give Directors power to make decisions without informing shareholders.</li> <li>• Directors can act in the best interests of the shareholders unless the Memorandum or Articles state that special permission is needed.</li> </ul>					

Question	Answer	Marks
28	Evaluation may include: <ul style="list-style-type: none"><li>• A judgement over the extent to which public limited companies are controlled by their shareholders.</li><li>• Weighing up of the main arguments</li><li>• What the extent of the control might depend upon (type of PLC, nature of product/business, capability of the BoD/shareholders, type of decision, etc.)</li></ul> <b>ARA</b>	