GCE 2005
January Series

AQA

Mark Scheme

Business Studies

BUS2

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this Mark Scheme are available to download from the AQA Website: www.aqa.org.uk

GENERAL MARKING GUIDANCE

You should remember that your marking standards should reflect the levels of performance of Advanced Subsidiary Level candidates, mainly 17 years old, writing under examination conditions. The level of demand of this unit is that expected of candidates half-way through a full A Level course.

Positive Marking

You should be positive in your marking, giving credit for what is there rather than being too conscious of what is not. Do not deduct marks for irrelevant or incorrect answers as candidates penalise themselves in terms of the time they have spent.

Mark Range

*You should use the whole mark range available in the marking scheme. Where the candidate's response to a question is such that the mark scheme permits full marks to be awarded, full marks **must** be given. A perfect answer is not required. Conversely, if the candidate's answer does not deserve credit, then no marks should be given.*

The Use of Levels of Response

Levels of response marking has holistic aspects, yet must conform to the rule of positive marking. A candidate who has built a strong argument must have that achievement recognised fully, even if a subsequent paragraph of ambiguity reduces the power of the whole. For this to occur consistently requires careful annotation of the level of response achieved within each skill category, at each significant stage within an answer.

Fundamental to a Levels of Response approach is that there may be more than one right answer to a written question. Examiners must use their professional judgement to credit any reasonable answer, whether or not it is listed on the mark scheme.

Levels of response marking requires examiners to follow the logic of a candidate's answer. A concept that would receive credit for knowledge in one context could become a means of analysis in another. It is also possible that a candidate's line of argument could validate knowledge that would not have been recognised if the candidate had simply tabled it. For example, acid test is not listed within the specification as a test of financial efficiency, yet a candidate could build an argument that made it relevant. Then knowledge could be rewarded as well as analysis.

Despite the value of skills such as analysis and evaluation, all answers must be based upon relevant knowledge and understanding. Therefore, it is not possible to credit application, analysis or evaluation unless recognisable knowledge has been rewarded.

The skills we seek from candidates are as follows:

1. Knowledge and understanding: accurate definitions or explanations of relevant terms should always be credited within this category; candidates can also gain credit for knowing and explaining a point relevant to the question, eg an advantage of factoring.

2. Application is the skill of bringing knowledge to bear to the business context faced by the candidate. Candidates should not be rewarded for simply dropping the company name or product category into their answer; the response must show recognition of some specific business aspect of the firm, its management or its situation.

3. Analysis: building up an argument using relevant business theory in a way that answers the question specifically and shows understanding of cause and effect.

4. Evaluation is judgement. This can be shown within an answer, through the weighting of an argument or in the perceptiveness shown by the candidate (perhaps about the degree of crisis/strength of the XYZ Company). It can also be shown within a conclusion, perhaps by weighing up the strength of the candidate's own arguments for and against a proposition. Evaluation is **not** shown simply by the use of drilled phrases such as "On the other hand" or "Business operates in an ever-changing environment". It is shown through the weighting of the candidate's response plus the logic and justification of his/her conclusions.

Quality of Language

The GCSE and GCE A/AS Code of Practice require the assessment of candidates' quality of written communication wherever they are required to write in continuous prose. In this unit, this assessment will take place for each candidate's script as a whole by means of the following marking criteria.

LEVEL 3   Moderately complex ideas are expressed clearly and reasonably fluently, through well linked sentences and paragraphs. Arguments are generally relevant and well structured. There may be occasional errors of grammar, punctuation and spelling.
                                                                                                                              3 marks

LEVEL 2   Straightforward ideas are expressed clearly, if not always fluently. Sentences and paragraphs may not always be well connected. Arguments may sometimes stray from the point or be weakly presented. There may be some errors of grammar, punctuation and spelling, but not such as to suggest a weakness in these areas.   **2 marks**

LEVEL 1   Simple ideas are expressed clearly but arguments may be of doubtful relevance or obscurely presented. Errors in grammar, punctuation and spelling may be noticeable and intrusive, suggesting a weakness in these areas.   **1 mark**

Total 3 marks

1   **Total for this question:** *6 marks*

Explain **two** possible problems for *Sounds Perfect Ltd* of using internal recruitment for most positions of responsibility. (**See Section C.**)   (*6 marks)*

		Content **3 marks**	**Application** **3 marks**
Level 2		**3 marks** Clear explanation of the term or the problem(s), showing good understanding	**3 marks** Effective application of the point(s) made in relation to *Sounds Perfect Ltd*
Level 1		**2-1 marks** Some explanation of the term **or** the problem(s), showing some understanding	**2-1 marks** Some application of the point(s) made in relation to *Sounds Perfect Ltd*

Content/Application – benefits include:
- Limits candidates/skills available – might be a problem in a high skilled occupation
- Technically competent workers may not possess the management skills needed for positions of responsibility
- Resentment caused amongst unsuccessful candidates – evidence of this in increased labour turnover
- Need to fill another vacancy lower down hierarchy

2   **Total for this question: *6 marks***

> Outline **two** possible advantages to *Sounds Perfect Ltd* of shorter product development times.
> **(See Section C and F.)**   *(6 marks)*

	Content **3 marks**	**Application** **3 marks**
Level 2	**3 marks** Clear explanation of the term or the benefit(s), showing good understanding	**3 marks** Effective application of the point(s) made in relation to *Sounds Perfect Ltd*
Level 1	**2-1 marks** Some explanation of the term or benefit(s), showing some understanding	**2-1 marks** Some application of the point(s) made in relation to *Sounds Perfect Ltd*

Possible answers may include:
- Quicker to market to maintain market position – has been a traditional strength of *Sounds Perfect Ltd*
- Quicker return on investment if products reach market quicker
- Cash flow advantages – evidence this was a problem for *Sounds Perfect Ltd*, at least in the early stages
- 'First mover' advantages

3   **Total for this question: *15 marks***

> To what extent do you agree with Kate's view that without a formal organisational structure *Sounds Perfect Ltd* would not have survived beyond the first few years?   *(13 marks)*

	Content **3 marks**	**Application** **3 marks**	**Analysis** **4 marks**	**Evaluation** **5 marks**
Level 3				**5 marks** Judgement shown in weighing up the arguments with clear conclusions
Level 2	**3 marks** Good understanding shown of the term and/or two or more relevant points explained	**3 marks** Relevant issue(s) applied in detail to the case	**4-3 marks** Analysis of the question set using relevant theory	**4-3 marks** Judgement shown in weighing up the arguments
Level 1	**2-1 marks** Some understanding of the term or relevant point(s) made	**2-1 marks** Some application to issue(s) in the case	**2-1 marks** Point(s) made to analyse the question in a limited way	**2-1 marks** Some judgement shown in text or conclusions

Benefits:
- Clearer lines of responsibility would be crucial as the company grew
- Easier to decentralise decision making
- Improved communication
- Motivational benefits of seeing where individuals fit into business
- Chain of command established

But:
- May threaten organisational culture and make *Sounds Perfect Ltd* less exciting
- Higher labour turnover and resentment were created by the structure
- Decentralisation may have weakened Andy's grip on the company

Evaluation:
- Any judgement as to relative weight of arguments
- Organisational structure inevitable for the company?

4   **Total for this question:** *8 marks*

Analyse the possible problems *Sound Perfect Ltd* might experience if it introduces cell production.

(8 marks)

	Content **2 marks**	**Application** **2 marks**	**Analysis** **4 marks**
Level 2	**2 marks** Good understanding shown of the term or relevant point(s) explained	**2 marks** Relevant issue(s) applied in detail to the case	**4-3 marks** Analysis of question set using relevant theory
Level 1	**1 mark** Some understanding of the term or relevant point(s) made	**1 mark** Some application to issue(s) in the case	**2-1 marks** Point(s) made to analyse the question in a limited way

Possible answers include:
- Training costs implied by cell production
- Loss of specialisation in existing highly skilled roles
- Initial loss of productivity is implied in text
- Need to change financial incentives – would this cost more in the long run?
- Would there be an initial increase in costs due to training, output reductions etc?
- Potential conflict
- Do workers want extra responsibility?

5   **Total for this question:** *15 marks*

Discuss how effective the company's approach to Quality Control has been in ensuring the continued success of *Sounds Perfect Ltd*.   *(15 marks)*

	Content 3 marks	Application 3 marks	Analysis 4 marks	Evaluation 5 marks
Level 3				**5 marks** Judgement shown in weighing up the arguments with clear conclusions
Level 2	**3 marks** Good understanding shown of Quality Control or two or more relevant points explained	**3 marks** Relevant issue(s) applied in detail to the case	**4-3 marks** Analysis of the question set using relevant theory	**4-3 marks** Judgement shown in weighing up the arguments
Level 1	**2-1 marks** Some understanding of Quality Control approach shown or one relevant point made	**2-1 marks** Some application to issue(s) in the case	**2-1 marks** Point(s) made to analyse the question in a limited way	**2-1 marks** Some judgement shown in text or conclusions

Possible answers include:
- Initial QC measures appeared successful in establishing high quality – but was this at the expense of a high failure rate?
- High standards established – but is QC effective if defects are only found at the end of the production process, as they were initially?
- Andy's close eye on quality was successful – but did it create a culture of quality amongst all staff?
- Kaizen groups have produced ideas that have helped *Sounds Perfect Ltd* – evidence of effective quality improvement?
- Highly skilled staff are consulted so are likely to have contributed ideas towards quality improvement.
- Highly skilled staff are the real experts – needed to have their input for product/process improvements.
- Cell production is likely to increase the likelihood of staff involvement in quality improvement.
- Is there evidence that only a small number of staff are involved in continuous improvement rather than a substantial number?
- How much of the improvement is down to technical innovation driven by Andy alone?

Evaluation points might include:

- Distinctions made between quality control and quality improvement or assurance – reward appropriate distinctions that clearly show an understanding of the difference.
- Move from quality control to a more quality assurance approach took place as the company developed.
- Judgements about whether Andy should retain close control over quality or whether it should be delegated to the workforce.
- Balancing importance of QC/assurance with other factors.