

**NOVEMBER 2002**

**GCE ADVANCED LEVEL**

**MARK SCHEME**

**MAXIMUM MARK : 40**

**SYLLABUS/COMPONENT : 9707/04**

**BUSINESS STUDIES**



|             |                                      |          |       |
|-------------|--------------------------------------|----------|-------|
| Page 1 of 4 | Mark Scheme                          | Syllabus | Paper |
|             | A Level Examinations - November 2002 | 9707     | 4     |

| Question Number | Levels of Response                                                                                      | Mark |
|-----------------|---------------------------------------------------------------------------------------------------------|------|
| 1               | a) <b>Knowledge and Application</b>                                                                     |      |
|                 | Level 1: Identifies objectives of public and private sector organizations                               | 1-2  |
|                 | Level 2: Explains the significance of profits objective to both public and private sector organizations | 3-4  |
|                 | <b>Analysis and Evaluation</b>                                                                          |      |
|                 | Level 1: Explains how and why the objectives change as a result of privatization, using exemplification | 1-4  |
|                 | b) <b>Knowledge and Application</b>                                                                     |      |
|                 | Level 1: Identifies relevant stakeholders                                                               | 1-2  |
|                 | Level 2: Outlines the objectives of different stakeholder groups                                        | 3-4  |
|                 | <b>Analysis and Application</b>                                                                         |      |
|                 | Level 1: Explains how different groups of stakeholders might be affected by privatization               | 1-5  |
|                 | Level 2: Attempts to evaluate the effects of privatization on stakeholders                              | 6-8  |

|   |                                                                                                                   |                                                                                                                                                                            |                                                                          |     |
|---|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----|
| 2 |                                                                                                                   | Level 1: Describes working capital                                                                                                                                         | 1-3                                                                      |     |
|   |                                                                                                                   | Level 2: Outlines the importance of working capital and its constituent elements and identifies in general terms what needs to be done to improve working capital position | 4-8                                                                      |     |
|   |                                                                                                                   | <b>Analysis and Evaluation</b>                                                                                                                                             |                                                                          |     |
|   |                                                                                                                   | Level 1: Explains the methods that might be used to improve working capital                                                                                                | 1-6                                                                      |     |
|   |                                                                                                                   | Level 2: Attempts to evaluate the methods that might be used to improve working capital                                                                                    | 7-12                                                                     |     |
|   | 3                                                                                                                 | a)                                                                                                                                                                         | <b>Knowledge and Application</b>                                         |     |
|   |                                                                                                                   |                                                                                                                                                                            | Level 1: Distinguishes between primary and secondary research            | 1-2 |
|   |                                                                                                                   |                                                                                                                                                                            | Level 2: Outlines the factors that might affect the choice of research   | 3-4 |
|   |                                                                                                                   |                                                                                                                                                                            | <b>Analysis and Evaluation</b>                                           |     |
|   |                                                                                                                   |                                                                                                                                                                            | Level 2: Explains the factors and how they affect the choice of research | 1-4 |
|   |                                                                                                                   | b)                                                                                                                                                                         | <b>Knowledge and Application</b>                                         |     |
|   |                                                                                                                   | Level 1: Identifies a range of methods                                                                                                                                     | 1-2                                                                      |     |
|   |                                                                                                                   | Level 2: Outlines the main features of at least TWO methods                                                                                                                | 3-4                                                                      |     |
|   | <b>Analysis and Evaluation</b>                                                                                    |                                                                                                                                                                            |                                                                          |     |
|   | Level 1: Explains how the methods might be used with some appreciation of their relative strengths and weaknesses | 1-5                                                                                                                                                                        |                                                                          |     |
|   | Level 2: Attempts to evaluate the methods that might be used in different situations                              | 6-8                                                                                                                                                                        |                                                                          |     |

|   |                                                                                 |                                                                                                                                 |      |
|---|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------|
| 4 |                                                                                 | Level 1: Defines demand elasticities                                                                                            | 1-3  |
|   |                                                                                 | Level 2: Outlines the main elements of demand elasticities with some attempt at how the results of calculations are interpreted | 4-8  |
|   |                                                                                 | <b>Analysis and Evaluation</b>                                                                                                  |      |
|   |                                                                                 | Level 1: Explains how Marketing Managers might use the results of the different demand elasticities                             | 1-8  |
| 5 | a)                                                                              | Level 2: Attempts to evaluate the usefulness of demand elasticities                                                             | 9-12 |
|   |                                                                                 | <b>Knowledge and Application</b>                                                                                                |      |
|   |                                                                                 | Level 1: Defines profit and cash flow                                                                                           | 1-2  |
|   |                                                                                 | Level 2: Understands the difference between profit and cash flow                                                                | 3-4  |
|   |                                                                                 | <b>Analysis and Evaluation</b>                                                                                                  |      |
|   |                                                                                 | Level 1: Explains how and why there might be a difference between profit and cash flow                                          | 1-4  |
|   | b)                                                                              | <b>Knowledge and Application</b>                                                                                                |      |
|   |                                                                                 | Level 1: Identifies appropriate stakeholders                                                                                    | 1    |
|   |                                                                                 | Level 2: Identifies the main ratios that could be used by different stakeholders                                                | 2-4  |
|   |                                                                                 | <b>Analysis and Evaluation</b>                                                                                                  |      |
|   | Level 1: Explains how different ratios might be used by different stakeholders  | 1-5                                                                                                                             |      |
|   | Level 2: Attempts to evaluate the usefulness of selected ratios to stakeholders | 6-8                                                                                                                             |      |

|   |                                                                                             |                                                                                                        |     |
|---|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----|
| 6 | a)                                                                                          |                                                                                                        | 1-2 |
|   |                                                                                             | Level 1: Draws and labels an organization chart                                                        |     |
|   |                                                                                             | Level 2: Identifies key features of the formal organization                                            | 3-4 |
|   |                                                                                             | <b>Analysis and Evaluation</b>                                                                         |     |
|   |                                                                                             | Level 1: Explains the main features of the formal organization with reference to an organization chart | 1-4 |
|   | b)                                                                                          | <b>Knowledge and Application</b>                                                                       |     |
|   |                                                                                             | Level 1: Attempts to define the term/nature of informal leadership                                     | 1-2 |
|   |                                                                                             | Level 2: Clear understanding of the nature of informal leadership                                      | 3-4 |
|   |                                                                                             | <b>Analysis and Evaluation</b>                                                                         |     |
|   |                                                                                             | Level 1: Explains how informal leaders might influence the workings of a business                      | 1-5 |
|   | Level 2: Attempts to evaluate the role of informal leadership on the workings of a business | 6-8                                                                                                    |     |