



Rewarding Learning

**ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2014**

Business Studies

Assessment Unit AS 2

assessing

Managing Business Resources

[AT121]

TUESDAY 21 JANUARY, AFTERNOON

**MARK
SCHEME**

General Marking Instructions

Introduction

Mark schemes are published to assist teachers and students in their preparation for examinations. Through the mark schemes teachers and students will be able to see what examiners are looking for in response to questions and exactly where the marks have been awarded. The publishing of the mark schemes may help to show that examiners are not concerned about finding out what a student does not know but rather with rewarding students for what they do know.

The Purpose of Mark Schemes

Examination papers are set and revised by teams of examiners and revisers appointed by the Council. The teams of examiners and revisers include experienced teachers who are familiar with the level and standards expected of students in schools and colleges.

The job of the examiners is to set the questions and the mark schemes; and the job of the revisers is to review the questions and mark schemes commenting on a large range of issues about which they must be satisfied before the question papers and mark schemes are finalised.

The questions and the mark schemes are developed in association with each other so that the issues of differentiation and positive achievement can be addressed right from the start. Mark schemes, therefore, are regarded as part of an integral process which begins with the setting of questions and ends with the marking of the examination.

The main purpose of the mark scheme is to provide a uniform basis for the marking process so that all the markers are following exactly the same instructions and making the same judgements in so far as this is possible. Before marking begins a standardising meeting is held where all the markers are briefed using the mark scheme and samples of the students' work in the form of scripts. Consideration is also given at this stage to any comments on the operational papers received from teachers and their organisations. During this meeting, and up to and including the end of the marking, there is provision for amendments to be made to the mark scheme. What is published represents this final form of the mark scheme.

It is important to recognise that in some cases there may well be other correct responses which are equally acceptable to those published: the mark scheme can only cover those responses which emerged in the examination. There may also be instances where certain judgements may have to be left to the experience of the examiner, for example, where there is no absolute correct response – all teachers will be familiar with making such judgements.

1 (a) Explain what is meant by induction using an example from the case study to illustrate your answer. [4]

- An induction is a general introduction to the organisation provided for new recruits. It is important as it helps new recruits understand the mission/objectives of the business and gives them the opportunity to meet fellow employees. If the new recruits settle into the job there is less chance of them leaving within the first few months of employment.
- Induction is also necessary if someone within the organisation is promoted, e.g. General Manager to Regional Manager.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of what is meant by the term 'induction'.	[2] Candidate makes good application of induction.
Level 1	[1] Candidate demonstrates some understanding of what is meant by the term 'induction'.	[1] Candidate attempts to make some application of induction.
Level 0	[0] Candidate demonstrates no understanding of what is meant by the term 'induction'.	[0] No attempt at application.

AVAILABLE MARKS

(b) Explain what is meant by a psychometric test using an example from the case study to illustrate your answer. [4]

- A psychometric test is often used as part of the selection process for senior management positions. The answers given to the questions are analysed and this will indicate the applicant's personality/ability to lead others.
- For full marks must link psychometric testing with senior management.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of what is meant by a 'psychometric test'.	[2] Candidate makes good application of the term.
Level 1	[1] Candidate demonstrates some understanding of what is meant by a 'psychometric test'.	[1] Candidate attempts to make some application of the term.
Level 0	[0] Candidate demonstrates no understanding of what is meant by a 'psychometric test'.	[0] No attempt at application.

**AVAILABLE
MARKS**

(c) Analyse barriers to effective communication that ASDA may experience. [8]

- Too much jargon/technical information may cause confusion.
- Wrong assumptions may be made by the sender about the ability of the receiver to understand the message.
- The actual message is unclear.
- The receiver may not be prepared to listen.
- The number of staff in the organisation can make communication difficult.
- There may be language/cultural differences within the organisation.
- If the message has to travel through too many people it can become distorted.
- Time delays i.e. communication between various stores.
- The actual working environment may be noisy so communication is not heard properly.
- Chinese whispers.

AVAILABLE MARKS	

	AO1 Knowledge and Understanding [2]	AO2 Application [2]	AO3 Analysis [4]
Level 2	[2] Candidate demonstrates good understanding of what potential barriers to communication are.	[2] Candidate makes good application of the terms.	[4]–[3] Good analysis of potential barriers to communication that Asda may experience.
Level 1	[1] Candidate demonstrates some understanding of what is meant by barriers to communication.	[1] Candidate attempts to make some application of the terms.	[2]–[1] Limited analysis of potential barriers to communication.
Level 0	[0] Candidate demonstrates no understanding of what is meant by the terms.	[0] No attempt at application.	[0] No analysis.

- (d) Discuss the advantages and disadvantages of job enrichment as a method of motivating staff in ASDA. [12]

AVAILABLE
MARKS

Job enrichment is a vertical extension of the person's job and represents a greater challenge with additional responsibility.

Advantages include:-

- It gives ASDA employees greater responsibility by allowing them to have more autonomy and more participation in decision making.
- It provides opportunities for professional development and may create an exciting new career path for the worker.
- It provides new challenges that will give the ASDA staff greater job satisfaction so motivation and productivity increase.
- It may make the worker feel more valued within the organisation so levels of absenteeism and labour turnover could decrease.
- May facilitate ASDA in succession planning.
- May encourage employees to become innovative.

Disadvantages

- Not all ASDA workers may want additional responsibility and if given, they will become de-motivated.
- Job enrichment has been criticised as a way of cutting the workforce as it requires employees to carry out additional tasks.
- Create expectations of salary increases.
- Not available for all employees so can lead to resentment among peers.

As part of their discussion candidates should consider both advantages and disadvantages and come to a final judgement.

Candidates are expected to evaluate throughout their answers.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the advantages and disadvantages of job enrichment as a method of motivation.	[2] Candidate makes good application of the terms.	[3] Candidate makes excellent analysis of the terms.	[4] Candidate gives a full evaluation of the arguments presented and forms a final judgement. QWC is excellent.

Level 2	[2] Candidate demonstrates good understanding of advantages and disadvantages of job enrichment as a method of motivation.	[2] Candidate makes good application of the terms.	[2] Candidate makes good analysis of the advantages and disadvantages of job enrichment as a method of motivation.	[3]–[2] Candidate gives a satisfactory evaluation of the arguments presented and forms a final judgement. QWC is good.
Level 1	[1] Candidate demonstrates some understanding of the advantages and disadvantages of job enrichment as a method of motivation.	[1] Candidate attempts to make some application of the terms.	[1] Limited analysis of the advantages and disadvantages of job enrichment as a method of motivation	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the advantages and disadvantages of job enrichment as a method of motivation.	[0] No attempt at application.	[0] No analysis.	[0] Candidate gives no evaluation of the arguments presented or final judgement. QWC is poor.

AVAILABLE MARKS

(e) Evaluate the usefulness of on-the-job training to a firm such as ASDA. [12]

AVAILABLE
MARKS

On-the-job training is provided in-house usually by a more senior member of staff.

Benefits

- It gives ASDA greater control over the content of the training programme and the processes used.
- It is much cheaper for ASDA than paying outside consultants to deliver the programme.
- It is motivational for the ASDA staff chosen to deliver the training.
- The trainee is likely to feel more relaxed and willing to ask questions without feeling awkward.
- The employees in ASDA are trained using their own equipment so it will help build their competence and confidence.
- On-the-job training and development may create better job satisfaction, e.g. teamwork and may increase motivation and productivity within ASDA.

Drawbacks

- The quality of the ASDA training may not be good and the employee will only be as good as the person training them.
- The workers may not take the training seriously because it's in-house.
- The equipment that the employee is trained on may be out of date so quality will suffer.
- Some ASDA workers may view training as unnecessary and an interruption to their normal work schedule thus increasing levels of demotivation.

As part of their discussion candidates should consider both benefits and drawbacks and come to a final judgement.

Candidates are expected to evaluate throughout their answers.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the advantages and disadvantages of on-the-job training.	[2] Candidate demonstrates excellent application.	[3] Candidate demonstrates excellent analysis.	[4] Candidate gives a full evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[2] Candidate demonstrates good understanding of the advantages and disadvantages of on-the-job training.	[2] Candidate demonstrates good application.	[2] Candidate makes good analysis of the advantages and disadvantages of on-the-job training.	[3]–[2] Candidate gives a satisfactory evaluation of the arguments presented and forms a final judgement. QWC is good.
Level 1	[1] Candidate demonstrates some understanding of the advantages and disadvantages of on-the-job training.	[1] Candidate demonstrates some application.	[1] Limited analysis of the advantages and disadvantages of on-the-job training.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the advantages and disadvantages of on-the-job training.	[0] No attempt at application.	[0] No analysis.	[0] Candidate gives no evaluation of the arguments presented or final judgement. QWC is poor.

**AVAILABLE
MARKS**

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- 2 (a) Explain what is meant by a fixed budget using an example from the case study to illustrate your answer. [4]

A fixed budget does not change even when the actual activity level changes. It is likely that Alexis has set a fixed budget based on an estimate to cover the cost of the extension to the workshop i.e. £5000.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good understanding of what is meant by a 'fixed budget'.	[2] Candidate makes good application of the term.
Level 1	[1] Candidate demonstrates some understanding of what is meant by a 'fixed budget'.	[1] Candidate attempts to make some application of the term.
Level 0	[0] Candidate demonstrates no understanding of what is meant by a 'fixed budget'.	[0] No attempt at application.

**AVAILABLE
MARKS**

(b) Calculate the material and labour variances from the information given in Table 1 clearly indicating whether each is favourable or adverse.

[4]

	Budgeted	Actual	Variance	Fav/Adverse
Material	£10 560	£12 506	(£1946)	Adverse
Labour	£575	£500	£75	Favourable

	AO1 Knowledge and Understanding [2]	AO2 Application [2]
Level 2	[2] Candidate demonstrates good knowledge and understanding.	[2] Candidate demonstrates good application.
Level 1	[1] Candidate demonstrates some knowledge and understanding.	[1] Candidate demonstrates some application.
Level 0	[0] Candidate demonstrates no knowledge and understanding.	[0] No attempt at application.

AVAILABLE
MARKS

(c) Analyse why Alexis may have decided not to use a laissez-faire style of management within Bridal Wear.

[8]

- Laissez-faire may not be suitable where quick decisions have to be made. Alexis has to act fast to get the business up and running.
- Alexis may feel that her personality is more suited to using another management style. For example, autocratic as she needs to be in control of the business to ensure quality products, customer service and meeting delivery dates.
- Alexis may have felt that laissez-faire would not suit the size of the group. Having only two workers might encourage laziness in Bridal Wear.

	AO1 Knowledge and Understanding [2]	AO2 Application [2]	AO3 Analysis [4]
Level 2	[2] Candidate demonstrates good understanding of factors affecting management style.	[2] Candidate demonstrates good application.	[4]–[3] Good analysis of factors affecting management style.
Level 1	[1] Candidate demonstrates some understanding of factors affecting management style.	[1] Candidate demonstrates some application.	[2]–[1] Limited analysis of factors affecting management style.
Level 0	[0] Candidate demonstrates no understanding of factors affecting management style.	[0] No attempt at application.	[0] No analysis.

**AVAILABLE
MARKS**

- (d) Discuss the advantages and disadvantages of preparing a cash flow forecast to a business such as Bridal Wear. [12]

AVAILABLE
MARKS

Advantages

- This will allow Alexis to forecast periods when outgoings are higher than incomings.
- Alexis will be able to highlight when overdraft facilities may be needed.
- It will allow Alexis to take remedial action before cash flow problems arise.
- It will help Alexis to identify areas where costs need to be cut.
- It is essential to have a cash flow forecast when seeking additional finance from a bank or investor.
- It will help Alexis to identify seasonal fluctuations and take appropriate action.

Disadvantages

- Alexis will have to take time out of her busy schedule to gather the data and draw it up.
- If she hasn't got the expertise to do this then she will have to employ someone and this will add to the firm's costs.
- It's not totally reliable because it is based on predictions.

As part of their discussion candidates should consider both advantages and disadvantages and come to a final judgement.

Candidates are expected to evaluate throughout their answers.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of the advantages and disadvantages of preparing a cash flow forecast.	[2] Candidate makes excellent application.	[3] Candidate demonstrates excellent analysis.	[4] Candidate gives a full evaluation of the arguments presented and forms a final judgement. QWC is excellent.

Level 2	[2] Candidate demonstrates good understanding of the advantages and disadvantages of preparing a cash flow forecast.	[2] Candidate demonstrates good application.	[2] Candidate makes good analysis of the advantages and disadvantages of preparing a cash flow forecast.	[3]–[2] Candidate gives a satisfactory evaluation of the arguments presented and forms a final judgement. QWC is good.
Level 1	[1] Candidate demonstrates some understanding of the advantages and disadvantages of preparing a cash flow forecast.	[1] Candidate demonstrates some application.	[1] Limited analysis of the advantages and disadvantages of preparing a cash flow forecast.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of the advantages and disadvantages of preparing a cash flow forecast.	[0] No attempt at application.	[0] No analysis.	[0] Candidate gives no evaluation of the arguments presented or final judgement. QWC is poor.

AVAILABLE MARKS

- (e) Evaluate the usefulness of carrying out variance analysis to a business such as Bridal Wear. [12]

AVAILABLE
MARKS

Benefits

- Variance analysis will allow Alexis to identify areas of the business where greater control needs to take place.
- Variance analysis will allow Alexis to calculate the amount of variance between budgeted figures and actual figures.
- Using variance analysis should make the business more cost-efficient.
- It helps Alexis with the management process of setting realistic budgets based on quantitative data.
- It provides useful information for Alexis so it can be used as a benchmark for future decisions.
- Can be used as a motivational tool, e.g. workers might strive to achieve a favourable variance if they previously had an adverse one.

Drawbacks

- Variance analysis is a quantitative tool so Alexis may ignore important qualitative data.
- Conducting the analysis of the figures takes time and a level of expertise, if Alexis doesn't have this she will have to employ someone to do it.
- Data may be inaccurate.

As part of their discussion candidates are expected to consider both benefits and drawbacks and come to a final judgement.

Candidates are expected to evaluate throughout their answers.

	AO1 Knowledge and Understanding [3]	AO2 Application [2]	AO3 Analysis [3]	AO4 Evaluation [4]
Level 3	[3] Candidate demonstrates excellent understanding of variance analysis.	[2] Candidate demonstrates excellent application.	[3] Candidate demonstrates excellent analysis.	[4] Candidate gives a full evaluation of the arguments presented and forms a final judgement. QWC is excellent.
Level 2	[2] Candidate demonstrates good understanding of variance analysis.	[2] Candidate demonstrates good application.	[2] Candidate makes good analysis of variance analysis.	[3]–[2] Candidate gives a satisfactory evaluation of the arguments presented and forms a final judgement. QWC is good.
Level 1	[1] Candidate demonstrates some understanding of variance analysis.	[1] Candidate demonstrates some application.	[1] Limited analysis of variance analysis.	[1] Candidate attempts some evaluation of the arguments presented. QWC is limited.
Level 0	[0] Candidate demonstrates no understanding of variance analysis.	[0] No attempt at application.	[0] No analysis.	[0] Candidate gives no evaluation of the arguments presented or final judgement. QWC is poor.

**AVAILABLE
MARKS**

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Total

80