

GCSE

Applied Business

Unit **A243**: Working in Business

General Certificate of Secondary Education

Mark Scheme for June 2014

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, Cambridge Nationals, Cambridge Technicals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

OCR will not enter into any discussion or correspondence in connection with this mark scheme.

© OCR 2014

These are the annotations, (including abbreviations), including those used in scoris, which are used when marking

	Unclear
	Benefit of doubt
	Context
	Level 1
	Level 2
	Level 3
	Not answered question
	Repeat
	Noted but no credit given
	Too vague
	Correct

	Development of point
	Own figure rule
	Incorrect

Question		Answer/Indicative content	Mark	Guidance	
1	a	<p>Correct order is:</p> <ul style="list-style-type: none"> • team (1) • task (1) • completed (1) • specialist (1) • effectively. (1) 	5	<p>Annotation: ✓ for correct response.</p> <p>1 mark for the correct identification up to a maximum of five marks.</p> <p>Note: if word used more than once, mark first use only.</p>	
1	b	<p>Exemplar response:</p> <p>Matrix organisational structure is fluid (1) that means that Billy Schappes can employ people if and when he wants them for a specific subject (1) Billy can also employ those for the time he needs them and not on a permanent basis. (1)</p> <p>Many different subjects to work on (1) so would need to hire different specialists for each subject (1) so that each subject has a separate team (1)</p>	<p>Indicative content:</p> <ul style="list-style-type: none"> • different subjects & levels/different teams • enables subject/qualification expertise to be employed • enables flexibility relevant for each app • employees only needed for each app, so no permanent contracts/cost reduction. 	3	<p>Annotation: ✓ for correct response.</p> <p>Up to 3 marks for reason (s) showing suitability.</p> <p>Responses need to be specifically applied to SCHAPP.</p> <p>Do not award features.</p> <p>Do not award benefits/drawbacks to staff.</p> <p>Care not to award repeats.</p>

Question	Answer/Indicative content	Mark	Guidance
2	<p>Sending the design brief for Business Studies application. <i>Form of ICT Communication: email (only)</i> Advantage :</p> <ul style="list-style-type: none"> • it will arrive faster than by ordinary post (1) • easily downloaded so available to refer back to/edited (1) • added as an attachment so that the file can quickly be downloaded (1) <p>Disadvantage:</p> <ul style="list-style-type: none"> • may get corrupted so could take time for the file to be edited (1) • may be a different format so it cannot be opened by the recipient (1) • Internet may be slow on some devices. (1) <p>Checking the progress of an existing application creation task <i>Form of ICT Communication: mobile phone text message OR</i> Advantage:</p> <ul style="list-style-type: none"> • quick way of contact so can get update quickly (1) • easy to construct so saves time for Billy (1) • a record can be kept to use as evidence should a disagreement occur (1) <p>Disadvantage:</p> <ul style="list-style-type: none"> • can be ignored so Billy does not get the information he requires (1) • network could go down so message does not get to the recipient (1) • may not appear important so the recipient may not take it seriously • unable to see body language and therefore cannot detect if developers are telling the truth. (1) <p><i>Form of ICT Communication: video conferencing/web cam</i> Advantage:</p> <ul style="list-style-type: none"> • viewers can witness progress/see documentation(1) • meet without travel (less costs/time)(1) • can see and hear giving greater understanding than phone call(1) <p>Disadvantage:</p> <ul style="list-style-type: none"> • no record can be kept to use as evidence should a disagreement occur (1) • network could go down whilst having discussion/poor connection speed (1) • all parties to conference have to be available at the same time. (1) 	6	<p>Annotation: ✓ for correct response.</p> <p>1 mark for identification to a maximum of six (2 x form of communication plus 2 x advantages and 2 x disadvantages).</p> <p>Max 2 marks if not stated email for sending design brief.</p> <p>Do not award for repeats. Award for first use only.</p> <p>'Quick and easy' - too vague.</p> <p>'Lost and deleted' / 'not received' – both too vague.</p> <p>Make sure advantages and disadvantages are REALISTIC.</p> <p>Advantages and disadvantages do not have to be applied to the context</p>

Question		Answer/Indicative content						Mark	Guidance
3	a	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> 1 mark for <u>both</u> Employee name and No </div>						4	<p>Annotation: ✓ for correct response.</p> <p>1 mark for the correct identification up to a maximum of four marks.</p> <p>OFR for Net Pay only.</p> <p>If pence and/or £ omitted mark incorrect first time only, BOD the rest.</p> <p>If employees name spelt incorrectly, highlight and mark wrong</p>
		Tax date: 10/06/2014		Employee Name: Selina Hughes		Employee No: 27			
		Nat Ins No:	Hours	Rate	Gross Pay	Total Deductions	Net Pay:		
		AB123456C	22	£7.00	£154.00 (1)	£45.00	£109.00 (1) (OFR)		
3	b	<ul style="list-style-type: none"> • National Insurance. • Income Tax. • Pension. • Trade Union (subscription). • Charity (donation). • Student loan(s) (repayment). 						2	<p>Annotation: ✓ for correct response.</p> <p>1 mark for each identification of a deduction to a maximum of two marks.</p> <p>Do not accept 'tax' or 'insurance' by itself - both too vague.</p>

Question		Answer/Indicative content					Mark	Guidance		
3	c	<i>SCHAPP</i> Cash Flow Forecast July to December 2014						<p>Annotation: ✓ for correct response.</p> <p>1 mark for each correct identification up to a maximum of five marks.</p> <p>NB One instance of OFR as indicated if it matches September closing balance</p>		
			July	August	September	October			November	December
		Income	£	£	£	£			£	£
		GCSE Apps	100	20	400	500			1000	1100
		AS Apps	50	20	400(1)	550			950	1150
		A Level Apps	55	10	300	600			1100	1050
		Total	205	50	1100	1650			3050	3300
		Expenditure								
		Wages	960	1400	700	600			500	400
		Utilities	40	40	50	50			60	60
		Billy's Salary	500	500	500	500			500	2000
		Other expenditure	100	100	100	100			100	100
		Total	1600	2040	1350	1250			1160	2560(1)
		Income - Expenditure	-1395	-1990(1)	-250	400			1890	740
		Opening Balance	2000	605	-1385	-1635(1) OFR			-1235	655
Closing Balance	605	-1385	-1635(1)	-1235	655	1395				

Question		Answer/Indicative content		Mark	Guidance																
3	d	<p>Exemplar Response:</p> <p>CFF is the way that SCHAPP can predict the money they have in the bank (1) and their ability to cover their costs (1). CFF will see whether SCHAPP have a cash shortfall or surplus (1) and whether the business has the funds to develop a new app(1).</p>	<p>Indicative content:</p> <ul style="list-style-type: none"> • predicts future bank balance • predicts (cash) inflow/outflow • able to see if sufficient funds available ie surplus/shortfall • predicts need for overdraft/loan • shows ability to meet costs • shows need for change in expenditure/income • shows viability/affordability. 	4	<p>Annotation: ✓ for correct response.</p> <p>Up to four marks for an explanation.</p> <p>Do not accept profit/loss or making/losing money.</p> <p>Must be clearly prediction and/or bank balance.</p> <p>Do not award for negative responses.</p> <p>Care not to award repeats.</p>																
3	e	<div style="text-align: center;"> <p>Break-even Chart for the GCSE PE App</p> <table border="1"> <caption>Data points from the Break-even Chart</caption> <thead> <tr> <th>No of projected sales</th> <th>Fixed Costs</th> <th>Total Costs</th> <th>Sales Revenue</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>300</td> <td>300</td> <td>0</td> </tr> <tr> <td>100</td> <td>300</td> <td>400</td> <td>300</td> </tr> <tr> <td>200</td> <td>300</td> <td>500</td> <td>600</td> </tr> </tbody> </table> </div>		No of projected sales	Fixed Costs	Total Costs	Sales Revenue	0	300	300	0	100	300	400	300	200	300	500	600	4	<p>Annotation: ✓ for correct response.</p> <p>One mark for each correct identification up to a maximum of four marks.</p>
No of projected sales	Fixed Costs	Total Costs	Sales Revenue																		
0	300	300	0																		
100	300	400	300																		
200	300	500	600																		

Question	Answer/Indicative content	Mark	Guidance
f	Break Even Point = $\frac{300(1)}{2.50 - 1.25(1)} = 240 \text{ PE apps sold (1)}$ OFR	3	<p>Annotation: ✓ for correct response.</p> <p>An answer of 240 without any working should be given three marks.</p> <p>£240 and no workings = 0 marks.</p> <p>Allow OFR (below) for BEP if candidate has FC incorrectly labelled in part 3e. If FC £600 BEP = 480 If FC £500 BEP = 400</p>

Question		Answer	Marks	Guidance	
3	g *	Exemplar response	8	Indicative Content	Levels of response
		<p>BEP is where sales revenue meets total costs (L1). BE charts/calculations will show how many units are needed to break-even, so that the Billy will know the number of GCSE PE apps to sell in order to not make a loss (L2). BE analysis can also be used for 'what if' analysis (L1) eg if Billy puts the price down as shown from £3.00 to £2.50 it would mean that 90 more units would need to be sold to break-even (L2), so it would show Billy that it could take longer to make a profit at the lower price (L3). The effect of an increase in costs on BEP can also be analysed (L1) which would increase the BEP (L2) which may help Billy to choose to increase the selling price accordingly (L3) or abandon the new app as the new BEP may not be achievable (L3). However, BE analysis does not take into account other factors (L1) such as the number of students who follow GCSE PE, the price of other apps on the market and the effect of the new app on cash flow (L2). These factors can affect the success of the new GCSE PE app as well as impact on the profitability and production of the existing apps (L3)</p> <p>BE analysis also assumes that all the new apps will be sold and as it is only a forecast it should not be used in isolation, as other tools like cash-flow</p>		<ul style="list-style-type: none"> • At £3.00 BEP is 150 • At £2.50 BEP is 240 • BEP is where sales revenue meets total costs • BEP is where neither a profit or loss is made • BEP shows number of apps needed to be sold so as not to make a loss • Allows 'what if' analysis • Assumes all products are sold • Costs could change • Only a forecast • Does not take into account other factors • Consideration of other named diagnostic tools. <p>CARE This question is about the usefulness of break-even analysis when making a decision <u>NOT</u> about whether Billy should create the new app.</p> <p>Context: students, university, college, use of data from 3e & 3f (L3).</p> <p>Maximum 4 marks if no context.</p> <p>Make sure answer reflects prediction</p>	<p>Annotation: L1, L2 L3, CONT (L3).</p> <p>Level 3 [5-8] Candidate makes reasoned judgement about the implications of using break-even analysis <u>in the context</u> of making a decision about the creation of the GCSE PE app. 8 marks Makes a judgement supported by previous analyses of more than one different fact previous analysis.</p> <p>7 marks Makes a judgement supported by one previous analysis.</p> <p>6 marks Analyses more than one different fact about break-even analysis.</p> <p>5 marks Analyses one fact about break-even analysis.</p> <p>NB. Maximum 6 marks if candidate only analyses with no appropriate judgement.</p> <p>Level 2 [3-4 marks] Candidate explains fact(s) about break-even analysis.</p> <p>4 marks Candidate explains more than one different fact about break-even analysis.</p>

Question		Answer	Marks	Guidance	
3	g	*		Exemplar response	Indicative Content
				forecasts, profit and loss accounts as well as adequate market research, would help Billy make a more informed decision (L3).	Do not award 'not entirely accurate or precise' unless accurate reason.
					Levels of response
					<p>3 marks Candidate explains one fact about break-even analysis.</p> <p>Level 1 [1-2 marks] Candidate identifies fact(s) about break-even analysis.</p> <p>2 marks Candidate correctly identifies more than one different fact about break-even analysis.</p> <p>1 mark Candidate correctly identifies one fact about break-even analysis.</p> <p>Candidates can access Level 2 straight away.</p>

Question		Answer/Indicative content	Marks	Guidance
4	a	<p>Indicative content:</p> <ul style="list-style-type: none"> trends in the market customer wants and needs customer likes and dislikes compare to other similar businesses gaps in the market. <p>Exemplar response:</p> <p>Market research analyses the trends in markets (1) this will allow the business to investigate the areas in the market in which they need to develop.(1)</p> <p>To find out customer wants and needs (1) so the business knows what to develop/provide to fulfil these needs (1).</p>	2	<p>Annotation: ✓ for correct response.</p> <p>1 mark for explanation and a further mark for an extension to a maximum of two marks.</p> <p>Do not accept ways – has to be why.</p> <p>Do not award – 'business know what to develop' – too vague.</p>
4	b	<p>Indicative content:</p> <ul style="list-style-type: none"> survey/online survey focus groups (personal) interview/face to face/telephone observation/mystery shopper suggestion box free testers with feedback. 	3	<p>Annotation: ✓ for correct response.</p> <p>One mark for each correct identification to a maximum of three marks.</p> <p>Do not accept questionnaire.</p> <p><u>Care</u> not to award repeats.</p> <p>'Feedback' / 'vote' – too vague.</p>
4	c	<p>Indicative content:</p> <ul style="list-style-type: none"> Internet/on-line/websites specialist organisations e.g. Mintel trade journals specialist magazines eg university/college prospectus national newspapers/local newspapers company reports//data. 	3	<p>Annotation: ✓ for correct response.</p> <p>One mark for each correct identification to a maximum of three marks.</p> <p>'Books' / 'results of someone else's survey/existing survey results' / 'articles' 'previous data' – too vague.</p>

Question		Answer	Mark	Guidance	
		Exemplar response		Indicative Content	Levels of response
4	d *	<p>Exemplar answer:</p> <p>It looks like <i>SCHAPP</i> should enter into creating apps for university and college students because 60% state that they would use them to revise (L1) and this means that <i>SCHAPP</i> may have a market (L2). Also 80% use their phones to access their apps (L1) which means that the apps can be sent to the students easily (L2). The only problem seems to be that <i>SCHAPP</i> will need to find out in more detail regarding the subjects that students would use to revise as this original data is limited (L3). Billy Schappes may need to employ more staff to research the market as 45% of those asked in the survey wanted none of the subjects mentioned (L2) which will increase costs (L3) Also if he decides this is a profitable market then more app developers will be needed (L2) again increasing costs (L3). It could also mean that Billy may need to employ someone to manage this area as his span of control may become too wide (L2) which may lead to him not having ultimate control of the business progress(L3).</p>	8	<ul style="list-style-type: none"> • 75% of the sample thought the apps they had bought had helped them gain better grades • 60% feel they would use apps to revise when they were at university or college. • 80% of the sample use their phone to use apps • English Literature (20%) and Mathematics (21%) most popular • 45% wanted none of the subjects listed in questionnaire • how does <i>SCHAPP</i> find out the other subjects? • limited data • could create a wider market 	<p>Annotation: L1, L2 L3</p> <p>Level 3 [5-8] Candidate makes reasoned judgements about whether <i>SCHAPP</i> should expand its business to include university and college apps. 8 marks Makes a recommendation supported by analysis of at least two pieces of relevant data from Text 4 AND other relevant information explained.</p> <p>7 marks Makes a recommendation supported by one analysis (data/other information) and at least two pieces of relevant data from Text 4 explained.</p> <p>6 marks Analyses more than one piece of <u>relevant</u> data from Text 4/other <u>relevant</u> information.</p> <p>5 marks Analyses one piece of <u>relevant</u> data from Text 4/other <u>relevant</u> information.</p> <p>NB. Maximum 6 marks if candidate only analyses with no appropriate judgement or relevant data from Text 4.</p>

Question	Answer/Indicative content	Mark	Guidance
			<p>Level 2 [3-4 marks] Candidate explains relevant data from Text 4 and/or other <u>relevant</u> information.</p> <p>4 marks Candidate explains more than one piece of <u>relevant</u> data from Text 4/other <u>relevant</u> information.</p> <p>3 marks Candidate explains one <u>relevant</u> piece of data from Text 4/other <u>relevant</u> information.</p> <p>Level 1 [1-2 marks] Candidate identifies relevant data from Text 4/other <u>relevant</u> information.</p> <p>2 marks Candidate correctly identifies more than one <u>relevant</u> piece of data from Text 4/other <u>relevant</u> information.</p> <p>1 mark Candidate correctly identifies one <u>relevant</u> piece of data from Text 4/other <u>relevant</u> information.</p> <p>Candidates can access Level 2 straight away.</p>

Question		Answer/Indicative content	Mark	Guidance
4	e	<p>Exemplar response:</p> <p>Internet is the best method of advertising because the apps are aimed at young people (1) who are very computer literate(1). Social networking sites could run the targeted advertising for the local area (1). It could also be aimed at a wider market(1) because the internet is a cheap method of promotion compared to many of the others (1).</p>	4	<p>Annotation: ✓ correct response</p> <p>Up to 4 marks for an explanation.</p> <p><u>Maximum two marks</u> for generic responses.</p> <p>Care not to award repeats.</p> <p>Do not award for negative responses.</p>
5	a	<p>Exemplar responses:</p> <ul style="list-style-type: none"> • Good ICT skills (1) so that they can understand the way that the apps are created (1) • Planning skills (1) so that they can organise the development of the apps so that it will get to the students when it is required (1) • Strategic thinking (1) to think forward so that they can anticipate the future needs of the students or anticipate the popular apps and the need for future development. (1) 	4	<p>Annotation: ✓ for correct response</p> <p>1 mark for correct identification of a <u>managerial</u> skill up to a maximum of two, plus a further mark for each of two explanations, <u>clearly applied in the context of SCHAPP</u>.</p> <p>Care not to award repeats.</p> <p><u>Care that these are skills.</u></p> <p>Do not award 'creative'.</p>

Question		Answer/Indicative content	Mark	Guidance	
5	b	<p>Exemplar responses:</p> <ul style="list-style-type: none"> • Persuasive (1) so that they can make the app developers do the work well (1) • Organised (1) so that the apps will be created on time (1) • Able to hit deadlines (1) so that the apps are created when they are required (1) 	<p>Indicative content:</p> <p>Qualities could include:</p> <ul style="list-style-type: none"> • persuasive / encouraging • organised • meets deadlines • honest • hard working / determined / resilient • self-motivated • approachable • good listener • reliable • responsible • supportive • positive • patient • confident. 	<p>4</p>	<p>Annotation: ✓ for correct response</p> <p>1 mark for correct identification of <u>managerial</u> personal quality up to a maximum of two, plus a further mark for each of two explanations, <u>clearly applied in the context</u> of <i>SCHAPP</i>.</p> <p>Care not to award repeats.</p> <p>Do not award friendly/happy.</p> <p><u>Care to award for qualities</u> not skills eg motivational is incorrect, but motivated is correct.</p>

Question		Answer	Mark	Guidance	
		Exemplar response		Content	Levels of response
6		<p>Exemplar answer:</p> <p><u>Batch production</u> (L1) is when the exam practice question booklets are produced in large numbers but the machines are changed to produce another subject (L2). For example, 2000 copies of a GCSE Science exam practice question booklet could be followed by 3500 copies of a booklet for A Level English (L2) which means that the needs of different customers can be met (L3), and specific orders can be produced (L2) which allows for a wide target market (L3). The disadvantages of batch production are that it takes time to switch production (L2), which could be expensive in terms of output lost in that time (L3) and staff wages to pay when nothing is being produced (L3). Production staff could find the tasks repetitive and boring (L2) which could lower the quality of the booklets. (L3) I would not recommend <u>flow production</u> (L1) although this does allow large amounts to be made (L2) at low unit costs (L2) but it only allows the same booklet to be produced which is not suitable for more than one subject/level (L3). <u>Job production</u> would be totally inappropriate as this is purely for the production of one-off goods (L2) which are created to meet the needs of individual customers (L2) which is not appropriate for exam practice question booklets which are</p>	8	<p>Indicative content:</p> <ul style="list-style-type: none"> • Job production - one-off specialised production • Cell Production – team working together to produce the goods • Mass/Flow Production – products assembled on a line with workers doing the same job each day • Batch Production – similar to mass production but the machines change to produce another different but similar product. <p>Note - batch and cell production are the only types that can be recommended.</p> <p>Context of producing practice examination question booklets <u>for each subject/level</u> has to be clearly evident to award L3.</p>	<p>Annotation: L1, L2 L3, CONT (for L3)</p> <p>Level 3 [5-8] Candidate makes reasoned judgement about the correct method of production in the context of producing practice examination question booklets <u>for each subject/level</u>. 8 marks Makes a judgement on the best method of production having analysed more than two methods of production AND shows why the other methods are not suitable. NB Chosen method must have been analysed. 7 marks Makes a judgement on the best method of production linked having analysed two methods of production. 6 marks Analyses more than one methods of production in the context of producing practice examination question booklets <u>for each subject/level</u>. 5 marks Analyses one methods of production in the context of producing practice examination question booklets <u>for each subject/level</u>.</p>

Question			Answer	Mark	Guidance	
			Exemplar response		Content	Levels of response
			for a wide and disparate market (L3). This means batch production is the best method of production because it allows <i>SCHAPP</i> to produce the exact numbers of booklets required for each subject in the most economical way. (L3)			<p>NB. Maximum 6 marks if candidate only analyses with no appropriate judgement.</p> <p>Level 2 [3-4 marks] Candidate explains the relevant features of the method(s) of production in the context of producing practice examination question booklets.</p> <p>4 marks Candidate explains the relevant features of two or more methods of production in context.</p> <p>3 marks Candidate explains the relevant features of one method of production in context.</p> <p>Level 1 [1-2 marks] Candidate identifies different methods of production.</p> <p>2 marks Candidate identifies more than one method of production.</p> <p>1 mark Candidate identifies one method of production.</p> <p>Candidates can access Level 2 straight away.</p>

OCR (Oxford Cambridge and RSA Examinations)
1 Hills Road
Cambridge
CB1 2EU

OCR Customer Contact Centre

Education and Learning

Telephone: 01223 553998

Facsimile: 01223 552627

Email: general.qualifications@ocr.org.uk

www.ocr.org.uk

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

Oxford Cambridge and RSA Examinations
is a Company Limited by Guarantee
Registered in England
Registered Office; 1 Hills Road, Cambridge, CB1 2EU
Registered Company Number: 3484466
OCR is an exempt Charity

OCR (Oxford Cambridge and RSA Examinations)
Head office
Telephone: 01223 552552
Facsimile: 01223 552553

© OCR 2014

