

Business Studies B

General Certificate of Secondary Education **2321/01**

Business Organisation (Foundation Tier)

Mark Scheme for June 2010

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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.

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Question			Syllabus Ref	Expected Answer	Mark	Additional Guidance
1	(a)	(i)	5.1.2	<p>Target: Knowledge and understanding of types of organisation.</p> <p>Give one mark for the idea of one person. Give one mark for some amplification eg: unlimited liability; limited capital; keeps all the profits; complete control; great flexibility; etc.</p>	[2]	<p>Allow any valid idea. Award marks along the following lines: 'Sole traders are individuals [1] who are able to change their business if it suits them to do so [1]'.</p>
1	(a)	(ii)	5.1.2	<p>Private Limited Companies have limited liability and are owned by the shareholders.</p>	[2]	<p>These are the only two correct answers. Give one mark for each correct answer. Max.two.</p>
1	(b)		5.1.3	<p>Target: Application and analysis of types of organisation.</p> <p>Candidates may mention: Private Limited Company: limited liability; legal entity; continuity; more capital; etc. They may also mention negative points of Sole Traders eg unlimited liability; difficult to raise capital; etc.</p> <p>Give two marks for knowledge of private limited companies. Give up to two marks for application to Sue's position.</p> <p>Max four marks.</p>	[4]	<p>Allow any valid point. Candidates who refer to plcs will find it difficult to gain application marks. Equally generic points – both could get one for knowledge.</p> <p>'A private limited company would give Sue limited liability [1] which would protect her from losing all she owns if the expansion goes wrong [1]. It also means that shares will bring in more money for her expansion [1]. This means she will be able to buy better equipment and thus make even more sales [1].'</p>
1	(c)		5.1.6	<p>Target: Knowledge and application of why people work.</p> <p>Candidates may mention: money; relieve boredom; achieve independence; interest; etc.</p> <p>Give one mark for the basic point plus one mark for application to Sue.</p>	[2]	<p>Allow any valid point for one mark.</p> <p>The second mark can only be awarded if the answer is related to Sue: 'Sue may work because jam making is an interest [1] and allows her to work when she wants to [1]'. 'Sue might work to earn money so she can survive'.</p>

Question			Syllabus Ref	Expected Answer	Mark	Additional Guidance
1	(d)	(i)	5.1.5	<p>Target: Knowledge and understanding of production.</p> <p>Batch production is where all the products in the batch go through the whole production process together.</p> <p>Give two marks for a clear idea. This could include an example. Give one mark for some limited notion or where there is some confusion.</p>	[2]	<p>Do not expect a precise definition as shown but look for the idea of: all products are made together and one product being made before the production line is changed and another different product is made.</p> <p>To gain two marks it must be clear that they are not talking about flow or job production.</p> <p>'Batch production is where a firm would make a number of one product and then make a number of another product.' [2]</p>
1	(d)	(ii)	5.1.5	<p>Target: Knowledge and application of production.</p> <p>Candidates may mention: can make small amounts of each item; easy to switch depending on demand; can accommodate consumer requests; cannot make one pot of jam; not big enough for flow; etc.</p> <p>Give one mark for the advantage. Give one mark for development/application to Sue.</p>	[2]	<p>Allow any valid point.</p> <p>There must be some application re; Sue for the second mark: 'One advantage is that Sue can make a set amount of jam [1] and then clean the pans and make a set amount of pickles [1]'. This can save time (1) and money (1).</p>
1	(e)*			<p>Target: ability to show, apply, analyse and evaluate knowledge and understanding of location.</p> <p>Candidates may mention: Factory: cannot meet this order; could be the start of further expansion/orders; easier to meet hygiene standards; more likely to get bank loans; etc.</p> <p>Home: could be a one off so too risky; probably cost a lot of money – debt; need to borrow and pay back with interest; etc.</p>	[6]	<p>Allow any valid point.</p> <p>Allow any valid idea.</p> <p>'Sue should move to the factory because she could not take this order without more room. [L1 – 2]The factory will make her business look more official so banks are more likely to lend her money. Also other firms may be impressed by the factory and start to order from her [L2 – top], but would not think she could supply them from home. [L3] The only danger is she will not get enough orders, but I think this is a small risk and she should open the factory.' [top L3]</p>

Question		Syllabus Ref	Expected Answer	Mark	Additional Guidance
1	(e)*		<p>Level 3 [5-6 marks] Candidates are able to justify their decision with a supported argument. At the bottom either the justification is very limited eg no consideration of the alternative or there is little application to Sue.</p> <p>Level 2 [3-4 marks] Candidates are able to analyse the arguments either for moving or not moving or both. At the bottom there is little reference to Sue.</p> <p>Level 1 [1-2 marks] Candidates are able to offer some knowledge and application to Sue.</p>		N.B Answers that assume Sue is moving from a larger factory to a smaller factory will be limited to a maximum of two marks.
		QWC	<p>2 marks Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.</p> <p>1 mark Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.</p> <p>0 marks Candidate fails to reach the threshold standard in all respects.</p>	[6+2]	<p>2 marks can be awarded even if an odd error is present.</p> <p>'0' should not be given unless the quality of written communication distracted from the answer ie it had to be read more than once to understand the sense.</p> <p>Answers that are given '0' for the content may still be awarded marks for QWC.</p>
			TOTAL	[22]	

Question			Syllabus Ref	Expected Answer	Mark	Additional Guidance
2	(a)		5.1.1	Target: Application of factors of production. Capital: kiln Enterprise: business expertise Labour: potters Land: factory space.	[4]	The answers must come from the material provided so generic answers score zero. There are no alternative answers to those given. except wording in the material. There is one mark for each correct pairing Allow names for Enterprise
2	(b)	(i)	5.1.3	Target: Knowledge and understanding of costs. Give one mark for an acceptable definition eg fixed costs are those costs which do not vary with output. Give one mark for an example [NOT promotion]	[2]	There are no marks for saying that fixed costs are the opposite of variable etc. For the definition it is important that they understand fixed cost, but do not expect too much. Allow 'over time'. Do not accept two examples.
2	(b)	(ii)	5.1.3	Target: Knowledge and understanding of accounts Revenue $[650 + 120] = £770\ 000$ [1] Costs $[550 + 50 + 200] = £800\ 000$ [1] Profit = $£[770\ 000 - 800\ 000] = - [1] £30\ 000$ [1].	[4]	Give four marks for a correct answer. Give three marks for the correct figures but no minus sign. Give three marks if the answer is -£30. OFR applies. Accept (£30 000).
2	(c)		5.1.3/4	Answers will depend on the business Level 3 [4-6 marks] Candidates must offer a supported justification. At the bottom an argument for only one of the options is considered.		The Level eg L2 must be shown in the body of the script. Candidates are required to name a business. This must be a specific name and not generic eg 'the supermarket'. Failure to do so will prevent the candidate from reaching the top of each level. L3 is reserved for candidates who offer some justification.

Question		Syllabus Ref	Expected Answer	Mark	Additional Guidance
2	(c)*		<p>Level 2 [2-3 marks] Candidates are able to offer some application and analysis. Answers that lack full coherence will be at the bottom of this level as will answers that only consider one option.</p> <p>Level 1 [1 mark] Answers show some knowledge of one option.</p>	[6]	<p>To reach the top there must be a consideration of both possibilities related to the business. Consideration of the second one can be brief.</p> <p>To show application, there must be some indication of what the business does or what the job involves. Answers will define/explain what one or both options mean, but there is no explanation or application. 'My business is a small one and it would be difficult for it to spend money on advertising because this would cost a lot which it could not afford and might not lead to more sales. Cutting prices would be better because this would immediately increase sales as people look for lower prices. I think that lower prices would be better and work quicker than advertising.' [L3]</p>
			TOTAL	[16]	

Question			Syllabus Ref	Expected Answer	Mark	Additional Guidance
3	(a)	(i)	5.1.2	Target: Knowledge and understanding of structure of organisation. Span of control – the number of people [1] who are directly [1] controlled.	[2]	The key ideas relate to number and directly . Award anything which refers to these ideas even where the actual words used differ.
3	(a)	(ii)	5.1.2	Target: Knowledge and understanding of structure of organisation. Six is the only acceptable answer.	[1]	
3	(a)	(iii)	5.1.2	Target: Knowledge and understanding of structure of organisation. Three is the only answer.	[1]	
3	(b)		5.1.6	Target: Ability to analyse and evaluate knowledge and understanding of motivation. Holidays: less tired; more time with families; more leisure; etc. Vouchers: increase in income; gives a good meal; makes them feel valued; etc. Meetings: makes them feel involved; deals with it directly; etc. Level 3 [4-6 marks] Candidates are able to discuss the methods and will recommend which should be chosen and at the top are able to clearly explain why the others are less suitable. Answers at the bottom will offer only very limited reasons why not.		In L3 to go above the bottom there must be some reference to all the options although not equally. The Level eg L2 must be shown in the body of the script. While candidates may refer to specific motivational theories this is not required.

Question			Syllabus Ref	Expected Answer	Mark	Additional Guidance
3	(b)			<p>Level 2 [2-3 marks] Candidates are able to offer application and analysis of the methods. At the top at least two of the three must be considered.</p> <p>Level 1 [1 mark] Candidates show knowledge of one or more of the methods.</p>	[6]	
				TOTAL	[10]	

Question			Syllabus Ref	Expected Answer	Mark	Additional Guidance
4	(a)		5.1.1	<p>Target: Knowledge and understanding of types of business activity.</p> <p>‘Includes the service industry’, and ‘Transport and shops are examples’ are the only answers. These answers appear in rows 2 and 4.</p>	[2]	<p>Mark the first two ticks only ie candidate ticks options 1 and 2 gets 1 mark only. A candidate who ticks all 4 gets 1 mark for answer 2 only.</p>
44	(b)	(i)	5.1.1	<p>Target: application of stakeholders</p> <p>Possible answers include: managers, workers, field workers; members, other directors; governments; clients/customers; suppliers; subscribers; community; etc.</p> <p>Give one mark for each valid stakeholder related to Fedcam’s work.</p>	[2]	<p>Allow any valid answer.</p> <p>Do not allow shareholders or owners. Accept worker twice if they distinguish. If in doubt whether the answer is applicable to Fedcam allow eg teacher might be employed by Fedcam so credit it.</p> <p>No marks for shareholders or owners.</p>
4	(b)	(ii)	5.1.1	<p>Target: Knowledge and application of stakeholders</p> <p>The answer will clearly depend on the stakeholder chosen.</p> <p>Give one mark for a basic reason and one mark for some development/application re; Emma/Fedcam.</p>	[2]	<p>NB Emma as Human Resources manager.</p> <p>OFR so if external or two inappropriate ones chosen some credit can be available.</p> <p>‘Emma would contact workers to inform them of changes to their hours [1] so they can be prepared [1].’</p>
4	(c)		5.1.4	<p>Target: Ability to apply, analyse and evaluate market research</p> <p>The answer will depend on the business concerned. Candidates may choose any one of the three. Those who look at two or more or who argue that you need more than one can be suitably credited.</p>		<p>The Level eg L2 must be shown in the body of the script.</p> <p>Candidates are required to name a business. This must be a specific name and not generic eg ‘the supermarket’. Failure to do so will prevent the candidate from reaching the top of each level.</p>

Question			Syllabus Ref	Expected Answer	Mark	Additional Guidance
4	(c)			<p>Questionnaires: large numbers; easy to give out; easy to analyse; etc. Interviews: ask extra questions; ensure the right person answers; etc. Secondary: cheap; can check sources for reliability; etc.</p> <p>Level 3 [4-6 marks] Candidates will give a supported recommendation. The question says 'why you have rejected the others' so answers at the top will address this by considering all of the other alternatives at least briefly.</p> <p>Level 2 [2-3 marks] Candidates are able to offer application and analysis of one or more of the methods of market research.</p> <p>Level 1 [1 mark] Candidates offer some knowledge of market research.</p>	[6]	<p>In L3 to go above the bottom there must be some consideration of at least two methods.</p> <p>A good discussion which considers only one method eg questionnaires looking at advantages and disadvantages will achieve four marks.</p> <p>'My business wants to find out what customers think of their service so secondary methods would be no good. It should use interviews, which would be quick and direct, or questionnaires where they could ask longer questions. Interviews may not get the real answers as people say what they think you want to hear. Although you may not get questionnaires back you are more likely to find out the truth. Thus questionnaires would be best.' [L3]</p> <p>To reach three marks at least one of the methods must be relevant for the business.</p> <p>An example would be 'interviews involve asking people oral questions'.</p>
				Total	[12]	
				Total	[60]	

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