

Business Studies B

General Certificate of Secondary Education **2324/02**

Business Processes - Synoptic Paper

Mark Scheme for June 2010

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of pupils of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, OCR Nationals, 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 2010

Any enquiries about publications should be addressed to:

OCR Publications
PO Box 5050
Annesley
NOTTINGHAM
NG15 0DL

Telephone: 0870 770 6622
Facsimile: 01223 552610
E-mail: publications@ocr.org.uk

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
1 (a)	5.1.2	<p>Target: Ability to apply knowledge and understanding of business structure to the case study.</p> <p>Knowledge Base: Liability restricted to amount of shares owned.</p> <p>Theoretical definition of limited liability or limited explanation(1) Award second mark for development of point(s).</p> <p>Exemplar: So that the shareholders have their responsibility for the debts of HHG limited (1) to the amount of money they invested (1).</p>	[2]	<p>Remember it is why they would want to gain limited liability.</p> <p>Accept reverse if a point is then made.</p>
1 (b)	5.1.1	<p>Target: Ability to apply knowledge and understanding of business objectives to the case study</p> <p>Knowledge Base: Shareholders want a dividend, business is bigger, not just owned by Tom.</p> <p>Brief explanation or state relevant objectives (1) To gain 2 marks there must be a full explanation.</p> <p>Exemplar: As HHG is now owned by shareholders they will want a dividend (1) so the business has to make a profit now to please them (1).</p>	[2]	<p>Remember it is why the objectives might have changed. Examples of objectives are not needed but they may be used to help clarify points made.</p> <p>Example of objective and no explanation max 1 mark.</p>

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
1 (c) *	5.3	<p>Target: Ability to find solutions to a problem and analyse and evaluate those solutions in order solve a problem in the case study.</p> <p>Knowledge Base: Possible solutions; reduced rate for extra nights, free gifts (wine, flowers, fruit etc), packaged deals 'winter getaway', free evening meal, offer wedding deals, attract business people with conference facilities, coach tours, leisure facilities (swimming pool, gym, sauna etc).</p> <p>The context is winter months and a traditional British seaside town.</p> <p>Level 3: 5-6 marks Evaluates solutions, makes a recommendation based on evidence.</p> <p>Level 2: 3-4 marks Analyses solution(s).</p> <p>Level 1: 1-2 marks States two valid solutions in the context of HHG.</p> <p>Exemplar: I think HHG could offer special short breaks in the winter or have reduced rates for weddings in the winter (L1). The short breaks could include reduced rate evening meals this would bring more money into the hotel. Unless there are a lot of guests taking up this offer HHG could lose money because they will still have to pay the wages and overheads (L2). Weddings can attract a lot of people to stay overnight as well, HHG may need extra staff (L2). I would recommend they offer special short breaks and use a lot of advertising so that the hotel will be busy most weekends (L3) with a wedding it might just be once a month so wouldn't make much difference to the finances (L3).</p>		<p>MAKE SURE YOU AWARD QWC.</p> <p>L3 – 6 marks Makes a judgement based on evidence, gives reason(s) for rejecting the other solution.</p> <p>L3 – 5 marks Evaluates solution(s).</p> <p>L2 – 4 marks Analyses both solutions, one well.</p> <p>L2 – 3 marks Analyses solution(s) – may be weak analysis of solution(s).</p> <p>L1 – 2 marks Brief description of at least one solution.</p> <p>L1 – 1 mark States solution(s) relevant to HHG.</p>

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
		<p>QWC: Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar. (2 marks)</p> <p>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. (1 mark)</p> <p>Candidate fails to reach the threshold standard in all respects. (0 marks)</p>	[6+2]	
1 (d)	5.1.4, 5.3	<p>Target: Ability to apply knowledge and understanding about market research to the case study.</p> <p>Knowledge Base: Tourist information will have up to date research of their own already, holiday makers will already like the area, hotel owners will be competition and so might not give the information, holiday makers are the target market.</p> <p>Level 2: 3-4 marks Evaluates which group is most useful, giving reasons.</p> <p>Level 1: 1-2 marks Analyses usefulness of different groups.</p> <p>Exemplar: The local tourist information centres will already have some data which would be relevant for Joanna (L1). Holiday makers in the area have already made the decision to come to this area and so she can use their answers to see if it would be a good place to buy a hotel (L1). I think that the most useful source of information will be the tourist office because they will not be biased and will have up to date information from holiday makers and hotel owners. (L2)</p>	[4]	<p>No analysis with zero marks. Must be in context.</p> <p>L2 – 4 marks Makes decision, good evaluation, may say why rejecting other option(s).</p> <p>L2 – 3 marks Makes a decision based on analysis of at least 2 groups. Weak evaluation.</p> <p>L1 – 2 marks Analyse more than 1 group or analyses 1 group well.</p> <p>L1 – 1 mark Analyse 1 group or more than 1 group weakly.</p>

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
2 (a)	5.1.4	<p>Target: Ability to analyse and evaluate knowledge and understanding about re-branding in the context of the case study.</p> <p>Knowledge Base: Costs a lot of money – maybe an unnecessary expense? Will tourists be booking at other hotels in the group? This might be more useful for business customers. Uniformity has pros and cons. Current trend for individual boutique hotels. Buying in bulk – economies of scale. Good decision if they want to expand and compete with major brands. Franchise opportunities?</p> <p>Level 3: 5-6 marks Evaluates the decision to re-brand. Reaches a conclusion as to whether or not this was a good idea for HHG.</p> <p>Level 2: 3-4 marks Analyses the decision to re-brand. Must be in context of HHG.</p> <p>Level 1: 1-2 marks Shows knowledge and understanding of re-branding. Context not needed.</p> <p>Exemplar: Each hotel had its own identity when HHG bought it. They then spent a lot of money changing things in each hotel so that they all looked the same (L1). This could be wasting money because they might be taking up a good carpet to put down a new one just so that it has the HHG logo on it (L2). Business people might like the image of all the hotels the same as they want to know what to expect when they go to another hotel in a different town but tourist might like individuality (L2). As HHG caters for tourists then this might not have been a good idea (L3). The current trend is for individual boutique hotels and re-branding each one as The Helsor would not be making boutique type hotels so may not attract as many people as HHG want (L3).</p>	[6]	<p>L3 – 6 marks Reaches a conclusion, needs to consider both sides and decide whether the decision was right or not.</p> <p>L3 – 5 marks Evaluates the decision to re-brand.</p> <p>L2 4 marks Good analysis of at least 1 point or weak analysis of at least 2 points. Can be one-sided ie: all positive analytical points.</p> <p>L2 – 3 marks Could be weak analysis.</p>

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
2 (b)	5.2.3	<p>Target: Ability to apply knowledge and understanding about legal implications in the context of the case study.</p> <p>Knowledge Base: cost of adapting rooms, will have to meet legal requirements if want to advertise as suitable for disabled use, able bodied guests might not want to use the rooms, increased bookings from disabled guests, might have to change other things around hotel not just 1 bedroom (ramps at entrance), good reputation, new target group, loss of room revenue while work being carried out, better comments from 'hotel inspectors'.</p> <p>1 mark for each effect and 1 mark for correct explanation.</p> <p>Cost (1) the bedrooms will have to be altered with disabled facilities eg: rails so this will cost HHG a lot of money (1).</p> <p>Increased bookings (1) if HHG can now advertise in specialist brochures they may get more disabled guests to book (1).</p> <p>Able bodied guests might not want to use the rooms (1) because they don't like all the other facilities so they may ask to change rooms (1).</p>	[4]	<p>Accept:</p> <p>Disruption Better reputation Competitive edge Niche / Specialist market</p> <p>Effect – is not why they have it, or a feature. Can award marks for a negative effect.</p> <p>If the effect is incorrect they can gain marks for a relevant explanation (or vice versa).</p> <p>Beware of repetition – “make more disabled people come to the hotel” and “increase sales” is one effect/explanation.</p>

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
2 (c) (i)	5.2.3	<p>Target: Ability to analyse and evaluate knowledge and understanding of our responsibilities to the environment in the context of the case study.</p> <p>Knowledge Base: Wasting resources also wastes money and could decrease profits. It is not good for the environment to produce too much waste, not socially responsible.</p> <p>Level 2: 3-4 marks Explains why Tom and Joanna (or hotels) should be concerned about wasting resources.</p> <p>Level 1: 1-2 marks Identifies areas where the hotels waste resources or identifies reasons why a business should be concerned about wasting resources.</p> <p>Exemplar: The hotel wastes a lot of money when they throw away food that has not been used (L1). It is bad for the environment to keep lights switched on all the time (L1). Tom and Joanna should be concerned because the hotels could be losing profits by being wasteful (L2). Some guests might not want to stay if they think the hotel is not socially responsible (L2).</p>	[4]	<p>No context = max L1.</p> <p>L2 – 4 marks Good explanation and context.</p> <p>L2 – 3 marks Weak explanation and context.</p>

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
2 (c) (ii)	5.2.3	<p>Knowledge Base: Have posters in offices, kitchens etc showing how much money wasted and profits down, staff could be encouraged by this. Could offer bonus to staff if waste is decreased. Lights/televisions that switch off when not in room. Encourage chef to use local food suppliers. Take out baths and install showers.</p> <p>Level 3: 5-6 marks Draws conclusion as to which method would have biggest impact. (Impact could be on profits, the environment or peoples' behaviour.</p> <p>Level 2: 3-4 marks Analyses method(s) for stakeholder group(s).</p> <p>Applies method(s) to HHG</p> <p>Level 1: 1 – 2 marks 1 mark - shows knowledge of method(s)/stakeholder groups. For two marks – applies method(s) to HHG.</p> <p>Tom could put up posters for the staff (L1) these could say how much profit is wasted in food thrown away and could be put in the kitchens (L1). These posters are cheap and would be seen by staff a lot during their shift (L2). He could introduce re-cycling of paper in the offices and at reception because a lot of things get printed out and then thrown away (L1). Somethings may be confidential so would have to be shredded before recycling and this could waste time (L2). Guests could be encouraged to re-use their towels if they are staying for 2 days (L1). Time and money would be saved in not washing towels after one night but guests might not think they are in a luxury hotel (L2). Putting up posters for staff would have the biggest impact. If they can change the way they work profits should increase and there will be a benefit to the environment (L3).</p>	[6]	<p>The question asks about methods HHG can use to make other stakeholders environmentally friendly, not how they could become environmentally friendly as a business.</p> <p>Stakeholders – shareholders, customers, employees, competitors, local community, managers.</p> <p>Max L1 – if candidate just states methods a business could use to become environmentally friendly (this is not answering the question precisely).</p>

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
3 (a)*	5.3	<p>Target: Ability to analyse and evaluate a method of presenting data.</p> <p>Knowledge Base: Computer-generated slideshow software is very visual, can use charts, tables, graphs, video clips, commentary with the slides. Very professional. Drawbacks – if just read from the slides can be boring, need to give handouts/copies of the slides as well so information can be looked at again later. Alternatives include – just standing and talking, flipchart, report, site visit.</p> <p>Level 3: 5-6 marks Draws a conclusion based on evidence as to whether or not this is the best way to persuade the shareholders (drawing on both sides). The evaluation could say they would use computer-generated slideshow software but use other methods as well eg: handouts, visit.</p> <p>Level 2: 3-4 marks Advantages or disadvantages of computer-generated slideshow software analysed. In context of persuading shareholders.</p> <p>Level 1: 1-2 mark Shows knowledge of computer-generated slideshow software.</p> <p>QWC Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar (2 marks)</p> <p>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. (1 mark)</p> <p>Candidate fails to reach the threshold standard In all respects (0 marks)</p>	[6+2]	<p>MAKE SURE YOU AWARD QWC.</p> <p>Do not award marks for information about the proposals.</p> <p>Context is persuading shareholders, not why Joanna's proposal is the best.</p> <p>L3 – 6 marks Candidate must consider alternatives and say why their chosen method is best to persuade shareholders.</p> <p>L2 – 4 marks At least 1 advantage and 1 disadvantage analysed, of computer-generated slideshow software. (Could use comparisons of other methods).</p> <p>L1 max if shows knowledge of other methods but no mention of computer-generated slideshow software.</p>

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
3 (a) continued		Exemplar: With Computer-generated slideshow software, Joanna could include graphs and charts in her presentation (L1) This makes it very visual but the shareholders won't have a copy to take away (L2). Joanna needs to back up her computer-generated slideshow software with handouts so that the shareholders have something to take away(L2). This would be the best way to persuade them (L3).		
3 (b)	5.3	<p>Target: Ability to analyse and evaluate data and make a recommendation in the context of the case study.</p> <p>Knowledge Base: Candidate can recommend either option as long as it is justified. Tom's proposal is more risky as it is an unknown market, all figures are forecast and hotel will take time to build. HHG will get exactly what they want. Joanna's proposal – the hotel can start making money straight away - is based on actual figures. Shareholders will want high dividends but also security of investment so the chosen option has to meet both needs.</p> <p>Level 4: 7-10 marks Evaluates which proposal will satisfy shareholder needs. 9 – 10 marks - fully justified conclusion, reasons for rejecting other proposal included. Award 7 marks if some weak evaluation.</p> <p>Level 3: 5-6 marks Analyses advantages and disadvantages of both options and links to shareholders. Weak analysis for 5 marks. 6 marks – good analysis and at least two analytical points made.</p> <p>Level 2: 3-4 marks Applies knowledge and understanding to HHG.</p> <p>Level 1: 1-2 marks Shows knowledge and understanding, could be quoting from the proposal summaries.</p>		Do not need to use figures but candidate may do calculations.

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
3 (b) continued		<p>Exemplar: Joanna's proposal is cheaper than Tom's (L1). Even though in Joanna's proposal the hotel is busier in the summer, Tom's proposal has a steadier rate of occupancy so will be bringing in more money throughout the year (L2). HHG have proved that they are successful in the British seaside market and so this is not too risky an option (L2). They will have to raise money to buy it but they will get a return straightaway. I think they shouldn't use Tom's proposal because too many things could go wrong unless they plan everything first (L2). Shareholders will want high dividends but also security of investment so the chosen option has to meet both needs (L2). If they went with Tom's proposal it might take too long to see a good return on the investment and the shareholders might not be happy about having to wait (L3). Joanna's proposal will earn dividends in the first year but not as high as they will eventually be able to gain with Tom's proposal (L4). The risk has to be considered, shareholders might not be as satisfied with Tom's proposal as so many things could go wrong and they could be left without any money (L3). Overall I recommend Joanna's proposal to satisfy the shareholders as with this proposal they will earn money straight away and have less risk (L4).</p>	[10]	
3 (c)	5.3	<p>Target: Ability to evaluate external factors in the context of the case study.</p> <p>Knowledge Base: Increase in interest rates – people may take fewer holidays as they have less money to spend OR there may be an increase in cheaper UK based holidays. Decrease in interest rates – people have more money to spend and so are likely to take more holidays. Holidays luxuries not necessities. Cost of borrowing changes.</p> <p>A rise in unemployment rates – more people without jobs so have less money and less likely to take holidays.</p> <p>Same things apply from businesses booking hotels but at present HHG aimed at seaside tourist market.</p>		

Question	Syllabus Ref	Expected Answer	Mark	Additional Guidance
3 (c) continued		<p>Level 3 5 -6 marks For 5 marks - candidate evaluates the external factor(s). For 6 marks - provides a reasoned conclusion as to which would have the greatest impact on HHG's plan of action.</p> <p>Level 2 3 – 4 marks For 3 marks analyses one factor weakly. For 4 marks good analysis of one factor or weak analysis of both. Must be in context.</p> <p>Level 1: 1-2 marks Candidate demonstrates knowledge and understanding of external factor(s). No context needed, may just write about one factor.</p> <p>Exemplar: If there is an increase in interest rates then people may take fewer holidays as they have less money to spend (L1). This will mean that HHG will see a decrease in bookings and profit (L2). A decrease in interest rates will mean that people have more money to spend and so are likely to take more holidays (L1). Holidays luxuries not necessities and so HHG should now see an increase in bookings (L2).</p> <p>If there is a rise in unemployment rates there will be more people without jobs so have less money and less likely to take holidays (L1). This will mean that HHG will suffer a loss in customers again (L2). I think that a change in interest rates will have the greatest impact because HHG need to borrow money to pay for their new hotel so this will affect them when they go to the bank as well as how many customers they get (L3).</p>	[6]	

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

OCR Customer Contact Centre

14 – 19 Qualifications (General)

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