

**MARK SCHEME for the October/November 2009 question paper  
for the guidance of teachers**

**9707 BUSINESS STUDIES**

**9707/12**

Paper 12 (Short Answer/Essay), maximum raw mark 40

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### Section A (Short Answer)

- 1 (a)** Full control, personal satisfaction, close to customers, personal profit, flexibility of working hours, easy to set up etc.
- One relevant advantage given [1]  
Two relevant advantages given [2]
- (b)** Objectives might include: survival, market share, establish the business, cover costs, work/life balance, competitive market etc.
- Appropriate definition of objectives/or one relevant objective given with weak explanation/or two objectives simply listed [1]  
Sound explanation of one objective/or partial explanation of two relevant objectives [2]  
Sound explanation of two relevant objectives [3]
- 2 (a)** Market segmentation involves dividing a market into distinct sub-groups with similar characteristics.
- Partial definition of term [1]  
Full definition of term [2]
- (b)** Methods of market segmentation include the following: age, gender, level of education, occupation, social class, income, religion, ethnic grouping, family characteristics, geography, personality and life-style.
- Partial explanation of one relevant method [1]  
Full explanation of one relevant method [2]  
Full explanation of two relevant methods [3]
- 3** An approach that seeks to improve the use of business productive resources in order to: reduce wastage, stockholding and other costs; improve labour productivity levels; increase capital utilisation; improve quality – methods include cell production, Kaizen, JIT, TQM, time-based management, simultaneous engineering etc.
- Limited understanding of lean production [1]  
Good understanding of the essence of a lean management production process [2–3]  
Good understanding, supported with sound examples, of lean production methods [4–5]
- 4 (a)** An estimate of the future liquidity of a business – a listing of all likely receipts (cash in-flows) and payments (cash outflows) over a future period of time.
- Partial definition [1]  
Full definition [2]

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- (b) Ways might include: invoice customer promptly, offer incentives for early payment, avoid slow pay/no pay customers, trim inventory, increase sales, raise prices, sell off assets, raise more equity, borrow more, negotiate better terms with suppliers etc.

Some limited understanding of cash flow improvement [1]  
 Partial explanation of one relevant way [2]  
 Full explanation of one relevant way [3]

- 5 (a) Explanations could refer to the range of employee responsibilities of an HRM such as welfare, productivity, performance, culture, working conditions, pay levels training, managerial/leadership styles and approaches.

Motivation theory is said to provide models, concepts, diagnostic tools to interpret, explain, understand and influence the organisational internal environment. So motivation theory helps an HRM to do the HRM job. Candidates might refer to some specific motivation theories but these must support a relevant answer to this question.

Sound analysis of how motivation theory might help an HRM [7–8]  
 Some analysis of the role of an HRM and how motivation theory could relate to the activity [5–6]  
 Sound understanding of the role of an HRM and of motivation theory [3–4]  
 Limited attempt to discuss motivation theory and/or role of an HRM [1–2]

- (b) Answers might well build on the material in (a) and apply specific examples of motivation theory/theorists that might be used by HRM such as: Taylor and money, Maslow and hierarchy of needs, Herzberg and hygiene/motivators, Mayo and attention, esteem, teamwork. Also measures such as quality circles, job enrichment, job rotation, job enlargement, delegation – all relevant to employees.

Measures relevant to managers and leaders might be suggested such as attention to different leadership styles-manager training, MBO etc. There are a wide range of possible measures to improve motivation.

Evaluative reference to possible measures and their likely impact and success (with reference to the supermarket context) [11–12]  
 Sound analysis of a range of relevant measures to improve motivation in context [8–10]  
 Good understanding of some measures to improve motivation [3–7]  
 Some understanding of some motivation measures [1–2]

- 6 Answers could refer to the way(s) in which the internet has changed how businesses compete. Mention might be made of opportunities for greater market reach, product/service delivery and cost reduction and threats such as new market entrants, new competition, disintermediation, and security threats. Candidates might develop the discussion in the context of the marketing mix with a focus on place and promotion particularly – others may focus on distribution issues.

Some evaluative comment in context – perhaps an assessment of the balance between threats and opportunities, or some comment on the significance of the internet in retailing [17–2]  
 Sound analysis of e-commerce/e-business opportunities and threats [14–16]  
 Sound explanation of e-commerce/business opportunities and/or threats [11–13]  
 Descriptive discussion of the internet and/or electronic shopping with some limited reference to threats and/or opportunities [5–10]  
 Limited awareness of websites as a channel to market and an approach to business [1–4]

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- 7 (a) Answers could include reference to, and explanation of, various methods for the visual presentation of numerical business information, e.g. tables, graphs, pie charts, bar charts and pictograms.

Explicit reference to appropriateness of particular method(s) or more detailed comment on advantages/disadvantages of specific methods [7–8]  
Some understanding and analysis of two methods [5–6]  
Shows understanding of two methods [3–4]  
Shows some limited awareness of one method [1–2]

- (b) Various methods of collecting data could be discussed, such as questionnaires, interviews, customer panels and analysis of sales figures. The focus must be on methods of information gathering rather than only on methods of sampling. Reference may be made to the ease and cost of methods described.

Evaluative comment – such as a view on the relative value of different methods [11–12]  
Sound analysis of selected methods in context [8–10]  
Shows some knowledge of relevant collection methods [3–7]  
Shows limited understanding of data collection methods and use [1–2]