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**BUSINESS**

**9609/21**

Paper 2 Data Response

**October/November 2018**

MARK SCHEME

Maximum Mark: 60

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**Published**

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2018 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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This document consists of **16** printed pages.

**Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

**GENERIC MARKING PRINCIPLE 1:**

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

**GENERIC MARKING PRINCIPLE 2:**

Marks awarded are always **whole marks** (not half marks, or other fractions).

**GENERIC MARKING PRINCIPLE 3:**

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

**GENERIC MARKING PRINCIPLE 4:**

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

**GENERIC MARKING PRINCIPLE 5:**

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

**GENERIC MARKING PRINCIPLE 6:**

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer	Marks																				
1(a)(i)	<p data-bbox="300 248 874 282"><b>Define the term ‘market segment’ (line 3).</b></p> <table border="1" data-bbox="300 315 1332 577"> <thead> <tr> <th data-bbox="300 315 1177 380">Knowledge</th> <th data-bbox="1177 315 1332 380">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 380 1177 448">A correct definition</td> <td data-bbox="1177 380 1332 448"><b>2</b></td> </tr> <tr> <td data-bbox="300 448 1177 515">A partial, vague or unfocused definition</td> <td data-bbox="1177 448 1332 515"><b>1</b></td> </tr> <tr> <td data-bbox="300 515 1177 577">No creditable content</td> <td data-bbox="1177 515 1332 577"><b>0</b></td> </tr> </tbody> </table> <p data-bbox="300 611 411 645"><b>Content</b></p> <ul data-bbox="300 645 1220 745" style="list-style-type: none"> <li>• Part of a market</li> <li>• Made up of groups of customers who share similar characteristics, interests, etc.</li> </ul> <table border="1" data-bbox="300 779 1332 1211"> <thead> <tr> <th data-bbox="300 779 815 844">Exemplar</th> <th data-bbox="815 779 938 844">Marks</th> <th data-bbox="938 779 1332 844">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 844 815 981">Sub-group of a whole market (1)for consumers with similar characteristics such as age(1)</td> <td data-bbox="815 844 938 981"><b>2</b></td> <td data-bbox="938 844 1332 981">Identifies that it is part of a market aimed at specific customers</td> </tr> <tr> <td data-bbox="300 981 815 1144">A group or portion of a whole market</td> <td data-bbox="815 981 938 1144"><b>1</b></td> <td data-bbox="938 981 1332 1144">Again Identifies that it is part of a market but no reference to target group of customers</td> </tr> <tr> <td data-bbox="300 1144 815 1211"><u>It is the whole market</u></td> <td data-bbox="815 1144 938 1211"><b>0</b></td> <td data-bbox="938 1144 1332 1211">Incorrect definition</td> </tr> </tbody> </table>	Knowledge	Marks	A correct definition	<b>2</b>	A partial, vague or unfocused definition	<b>1</b>	No creditable content	<b>0</b>	Exemplar	Marks	Rationale	Sub-group of a whole market (1)for consumers with similar characteristics such as age(1)	<b>2</b>	Identifies that it is part of a market aimed at specific customers	A group or portion of a whole market	<b>1</b>	Again Identifies that it is part of a market but no reference to target group of customers	<u>It is the whole market</u>	<b>0</b>	Incorrect definition	<b>2</b>
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1(a)(ii)	<p><b>Briefly explain the term ‘public sector organisation’ (line 1).</b></p> <p>Award one mark for each point of explanation:</p> <table border="1" data-bbox="300 349 1331 712"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>Example or some other way of showing good understanding e.g. Product that might not be adequately provided by the private sector/profit not an objective.</td> <td>1</td> </tr> <tr> <td>B</td> <td>To provide a service to the local community/ social objectives</td> <td>1</td> </tr> <tr> <td>A</td> <td>Owned/controlled by the state/government</td> <td>1</td> </tr> </tbody> </table> <p><b>Note: Must have an answer from section A or B</b></p> <p><b>Content</b> A business owned and controlled by the government to provide services and products that might not be adequately provided by the private sector.</p> <table border="1" data-bbox="300 947 1331 1574"> <thead> <tr> <th>Exemplar</th> <th>Marks</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>Owned and controlled by the state (1) to provide a social benefit (1) profit not an objective (1)</td> <td>3</td> <td>All 3 elements included – A + B + C</td> </tr> <tr> <td>Owned by the government (1) e.g. fire service (1)</td> <td>2</td> <td>Only 2 elements A + C</td> </tr> <tr> <td>Not run with the aim of making a profit (1) but aim to a service to the community (1)</td> <td>2</td> <td>Only 2 elements B + C</td> </tr> <tr> <td>State owned enterprise (1)</td> <td>1</td> <td>Only 1 element A</td> </tr> <tr> <td>Organization funded by the government</td> <td>0</td> <td>Too vague – private sector organizations may be funded by the government</td> </tr> </tbody> </table>		Knowledge	Marks	C	Example or some other way of showing good understanding e.g. Product that might not be adequately provided by the private sector/profit not an objective.	1	B	To provide a service to the local community/ social objectives	1	A	Owned/controlled by the state/government	1	Exemplar	Marks	Rationale	Owned and controlled by the state (1) to provide a social benefit (1) profit not an objective (1)	3	All 3 elements included – A + B + C	Owned by the government (1) e.g. fire service (1)	2	Only 2 elements A + C	Not run with the aim of making a profit (1) but aim to a service to the community (1)	2	Only 2 elements B + C	State owned enterprise (1)	1	Only 1 element A	Organization funded by the government	0	Too vague – private sector organizations may be funded by the government	3
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1(b)(ii)	<p data-bbox="300 248 1326 315"><b>Explain how one stakeholder of SP might be affected by the Lido making a loss.</b></p> <table border="1" data-bbox="300 349 1334 707"> <thead> <tr> <th data-bbox="300 349 448 414">Level</th> <th data-bbox="448 349 1201 414">Knowledge and Application</th> <th data-bbox="1201 349 1334 414">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 414 448 512">2b (APP + APP)</td> <td data-bbox="448 414 1201 512">Explanation of an effect on a stakeholder in context</td> <td data-bbox="1201 414 1334 512"><b>3</b></td> </tr> <tr> <td data-bbox="300 512 448 577">2a (APP)</td> <td data-bbox="448 512 1201 577">Identification of an effect on a stakeholder in context</td> <td data-bbox="1201 512 1334 577"><b>2</b></td> </tr> <tr> <td data-bbox="300 577 448 642">1 (K)</td> <td data-bbox="448 577 1201 642">Identification of an effect on a stakeholder</td> <td data-bbox="1201 577 1334 642"><b>1</b></td> </tr> <tr> <td data-bbox="300 642 448 707">0</td> <td data-bbox="448 642 1201 707">No creditable content</td> <td data-bbox="1201 642 1334 707"><b>0</b></td> </tr> </tbody> </table> <p data-bbox="300 741 421 772"><b>Content:</b></p> <ul data-bbox="300 779 1302 987" style="list-style-type: none"> <li>• Government/owners: more government spending needed – opportunity cost of spending</li> <li>• Customers: prices may increase, may have to travel to further swimming pool</li> <li>• Local community: poor service, travel to other pools</li> <li>• Workers: may be made redundant, lower wages</li> </ul> <p data-bbox="300 1021 1326 1151"><b>Reference to owners not having dividends, etc. are unlikely to be in context. Closure is not an impact unless it is taken through to show how the stakeholder would be impacted, i.e. The Lido may close leading to an increase in the funds available for the government to spend. ARA</b></p>	Level	Knowledge and Application	Marks	2b (APP + APP)	Explanation of an effect on a stakeholder in context	<b>3</b>	2a (APP)	Identification of an effect on a stakeholder in context	<b>2</b>	1 (K)	Identification of an effect on a stakeholder	<b>1</b>	0	No creditable content	<b>0</b>	<b>3</b>
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1(c)	<b>Analyse one advantage and one disadvantage to SP of using price discrimination.</b>						<b>8</b>
	Level	Knowledge and Application (4 marks)	Marks	Annotation	Analysis (4 marks)	Marks	Annotation
	2b	Shows understanding of price discrimination in context	4	APP+ APP	Good analysis of one advantage <b>and</b> one disadvantage to SP of using price discrimination	4	DEV+ DEV
	2a	Shows understanding of pricing methods in context	3	APP	Good analysis of one advantage <b>or</b> one disadvantage to SP of using price discrimination	3	DEV
	1b	Shows knowledge of price discrimination	2	K+K	Limited analysis of one advantage <b>and</b> one disadvantage of using price discrimination	2	AN+ AN
	1a	Shows knowledge of pricing methods	1	K	Limited analysis of one advantage <b>or</b> one disadvantage of using price discrimination	1	AN
	0	No creditable content					
	<p><b>Content Advantages:</b></p> <ul style="list-style-type: none"> <li>• Increase number of customers – particularly important for a publically owned business</li> <li>• Gives access to the swimming pool to more people, not dependent on income</li> <li>• Can be used to increase demand during off peak times</li> <li>• Can be used to decrease demand at peak times. Disadvantages:</li> <li>• Reduce income – may be contributing to the loss made by The Lido</li> <li>• May be seen as a poor quality service</li> <li>• May be seen as unfair against people who pay full price</li> <li>• May lead to excess demand at off peak times and low demand at peak time</li> </ul>						

Question	Answer					Marks
1(d)	<b>Recommend whether SP should close The Lido. Justify your answer.</b>					<b>11</b>
<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Anno- tation</b>	<b>Analysis and Evaluation (7 marks)</b>	<b>Marks</b>	<b>Anno- tation</b>	
			A justified recommend- ation based on a developed two sided argument	<b>7</b>		
			A developed recommend- ation based on a developed two sided argument	<b>6</b>		
			A basic recommend- ation based on a developed two sided argument	<b>5</b>	EVAL	
Shows understanding of factors affecting business performance of The Lido or the impact of closing/ staying open in context	<b>3-4</b>	APP + APP	Developed argument based on closure of the Lido <b>and</b> keeping the Lido open	<b>4</b>		
		APP	Developed argument based on either closure of the Lido <b>or</b> keeping the Lido open	<b>3</b>		
Shows knowledge of business performance	<b>1-2</b>	K + K	Limited analysis of closing a business <b>and</b> keeping a business open	<b>2</b>		
		K	Limited analysis of closing a business <b>or</b> keeping a business open	<b>1</b>		
No creditable content				<b>0</b>		



Question	Answer	Marks
1(d)	<p><b>Content</b></p> <p>Arguments for closure:</p> <ul style="list-style-type: none"> <li>• The Lido will be subsidised by other swimming pools/the Government – is this a good use of taxpayers' money?</li> <li>• Would a different facility be better – one that could make a profit or cover its own costs?</li> <li>• Is the local area the best for a swimming pool – would government money be better spent on creating jobs?</li> </ul> <p>Arguments against closure:</p> <ul style="list-style-type: none"> <li>• Publically owned so profit is not the objective of the business – does it matter if The Lido makes a loss?</li> <li>• The Lido only makes a loss when the allocation of Head Office costs are included – is this a fair allocation?</li> <li>• The local community has high unemployment – closure is likely to affect these the most</li> <li>• There are many schools in the local area – the closure would reduce the ability for these to teach swimming.</li> <li>• The Lido benefits local fitness/combats obesity</li> </ul>	

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2(a)(i)	<p data-bbox="300 248 762 282"><b>Define the term ‘demand’ (line 9).</b></p> <table border="1" data-bbox="300 315 1332 577"> <thead> <tr> <th></th> <th data-bbox="724 331 884 365">Knowledge</th> <th data-bbox="1219 331 1310 365">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="344 398 363 432">B</td> <td data-bbox="424 398 1126 432">Quantity/at a given price/over a specific period of time</td> <td data-bbox="1254 398 1273 432">2</td> </tr> <tr> <td data-bbox="344 465 363 499">A</td> <td data-bbox="424 465 740 499">Willing/able to purchase</td> <td data-bbox="1254 465 1273 499">1</td> </tr> <tr> <td></td> <td data-bbox="424 533 708 566">No creditable content</td> <td data-bbox="1254 533 1273 566">0</td> </tr> </tbody> </table> <p data-bbox="300 611 411 645"><b>Content</b></p> <p data-bbox="300 645 1265 745">The quantity/amount of a product that consumers are willing (not needs or wants) and able to purchase, at a given price or in a particular period. A diagram of the demand curve without further explanation up to 1 mark</p> <table border="1" data-bbox="300 779 1332 1339"> <thead> <tr> <th data-bbox="472 795 608 828">Exemplar</th> <th data-bbox="799 795 890 828">Marks</th> <th data-bbox="1054 795 1190 828">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 862 724 963">How much of a good or service (1) customers are willing to pay for (1)</td> <td data-bbox="831 891 850 925">2</td> <td data-bbox="927 891 1050 925">Both A+B</td> </tr> <tr> <td data-bbox="312 996 699 1064">Amount of the product (1) the customer is able to buy</td> <td data-bbox="831 1010 850 1043">2</td> <td data-bbox="927 1010 1050 1043">Both A+B</td> </tr> <tr> <td data-bbox="312 1108 711 1176">Amount of people (0) willing to buy a product (1)</td> <td data-bbox="831 1122 850 1155">1</td> <td data-bbox="927 1093 1273 1193">Only A here as it is not the amount of people but the quantity of the product</td> </tr> <tr> <td data-bbox="403 1220 676 1288"><u>%change in demand</u> %change in price</td> <td data-bbox="831 1256 850 1290">0</td> <td data-bbox="927 1240 1241 1308">This is price elasticity of demand, not demand</td> </tr> </tbody> </table>		Knowledge	Marks	B	Quantity/at a given price/over a specific period of time	2	A	Willing/able to purchase	1		No creditable content	0	Exemplar	Marks	Rationale	How much of a good or service (1) customers are willing to pay for (1)	2	Both A+B	Amount of the product (1) the customer is able to buy	2	Both A+B	Amount of people (0) willing to buy a product (1)	1	Only A here as it is not the amount of people but the quantity of the product	<u>%change in demand</u> %change in price	0	This is price elasticity of demand, not demand	2
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2(a)(ii)	<p data-bbox="300 248 1332 315"><b>Briefly explain the term ‘partnership’ (line 1).</b> Award one mark for each point of explanation:</p> <table border="1" data-bbox="300 349 1332 678"> <thead> <tr> <th data-bbox="300 349 403 414"></th> <th data-bbox="403 349 1197 414">Knowledge</th> <th data-bbox="1197 349 1332 414">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 414 403 546">C</td> <td data-bbox="403 414 1197 546">Example or some other way of showing good understanding e.g. shared risk/responsibility/profits/losses/finance</td> <td data-bbox="1197 414 1332 546">3</td> </tr> <tr> <td data-bbox="300 546 403 611">B</td> <td data-bbox="403 546 1197 611">Unlimited liability/lack of continuity</td> <td data-bbox="1197 546 1332 611">2</td> </tr> <tr> <td data-bbox="300 611 403 678">A</td> <td data-bbox="403 611 1197 678">Two or more owners</td> <td data-bbox="1197 611 1332 678">1</td> </tr> </tbody> </table> <p data-bbox="300 712 411 741"><b>Content</b></p> <p data-bbox="300 745 1316 846">A legal agreement between two or more people to jointly own, finance and run a business. Unlimited liability unless a limited partner. Share risks, profits, losses and responsibilities.</p> <table border="1" data-bbox="300 880 1332 1507"> <thead> <tr> <th data-bbox="300 880 778 945">Exemplar</th> <th data-bbox="778 880 911 945">Marks</th> <th data-bbox="911 880 1332 945">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 945 778 1113">Two or more people run a business together (1) usually with shared capital (1) They have unlimited liability (1)</td> <td data-bbox="778 945 911 1113">3</td> <td data-bbox="911 945 1332 1113">Good, developed explanation</td> </tr> <tr> <td data-bbox="300 1113 778 1245">Two or more people run a business (1) and provide the capital (1)</td> <td data-bbox="778 1113 911 1245">2</td> <td data-bbox="911 1113 1332 1245">Explanation ok but not developed</td> </tr> <tr> <td data-bbox="300 1245 778 1344">Run by at least 2 people (1) and does not have limited liability (1)</td> <td data-bbox="778 1245 911 1344">2</td> <td data-bbox="911 1245 1332 1344">Again explanation ok but limited</td> </tr> <tr> <td data-bbox="300 1344 778 1507">Owned by two or more people (1) without the ability to sell shares to the public (0)</td> <td data-bbox="778 1344 911 1507">1</td> <td data-bbox="911 1344 1332 1507">A mark for reference to ownership but the rest of the explanation seems to confuse this with a ltd company</td> </tr> </tbody> </table>		Knowledge	Marks	C	Example or some other way of showing good understanding e.g. shared risk/responsibility/profits/losses/finance	3	B	Unlimited liability/lack of continuity	2	A	Two or more owners	1	Exemplar	Marks	Rationale	Two or more people run a business together (1) usually with shared capital (1) They have unlimited liability (1)	3	Good, developed explanation	Two or more people run a business (1) and provide the capital (1)	2	Explanation ok but not developed	Run by at least 2 people (1) and does not have limited liability (1)	2	Again explanation ok but limited	Owned by two or more people (1) without the ability to sell shares to the public (0)	1	A mark for reference to ownership but the rest of the explanation seems to confuse this with a ltd company	3
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2(c)	<b>Analyse one advantage and one disadvantage to KC of using job production.</b>						8	
	<b>Level</b>	<b>Knowledge and Application (4 marks)</b>	<b>Mark</b>	<b>Anno-tation</b>	<b>Analysis (4 marks)</b>	<b>Mark</b>		<b>Anno-tation</b>
		Shows understanding		APP+ APP	Good analysis of one advantage			DEV+ DEV
	2b	of job production in context	4		<b>and</b> one disadvantage to KC of using job production	4		
		Shows understanding		APP	Good analysis of one advantage <b>or</b>			DEV
	2a	of production methods in context	3		one disadvantage to KC of using job production	3		
	1b	Shows knowledge of job production	2	KK	Limited analysis of one advantage <b>and</b> one disadvantage of using job production	2		AN+ AN
	1a	Shows knowledge of production methods	1	K	Limited analysis of one advantage <b>or</b> one disadvantage of using job production	1		AN
	0	No creditable content						

Question	Answer	Marks
2(c)	<p><b>Content</b></p> <p>Advantages:</p> <ul style="list-style-type: none"><li>• Customers can have their cake personalised to their requirements – increase revenue/profits</li><li>• Allows KC to charge a higher price</li><li>• Higher quality cakes – increase word of mouth promotion for KC</li></ul> <p>Disadvantages:</p> <ul style="list-style-type: none"><li>• Higher cost – requires specialist skills and inventory</li><li>• Loss of economies of scale</li><li>• Inventory is perishable but need to keep in stock, just in case</li><li>• Higher price leading to lower demand</li></ul> <p>ARA</p>	

Question	Answer						Marks
2(d)	<b>Evaluate the job description created by James.</b>						<b>11</b>
<b>Knowledge and Application (4 marks)</b>	<b>Mark</b>	<b>Anno- tation</b>	<b>Analysis and Evaluation (7 marks)</b>	<b>Mark</b>	<b>Anno- tation</b>		
			A justified recommendation/judgment based on a developed argument of at least two elements of the job description in context	<b>7</b>			
			A developed recommendation/judgment based on a developed argument of at least two elements of the job description in context	<b>6</b>			
			A basic recommendation/judgment based on a developed argument of at least two elements of the job description in context	<b>5</b>	EVAL		
Shows understanding of <b>two</b> elements of the job description created by James	<b>4</b>	APP + APP	Developed argument of <b>two</b> elements of the job description in context	<b>4</b>			
Shows understanding of <b>one</b> element of the job description created by James	<b>3</b>	APP	Developed argument of <b>one</b> element of the job description in context	<b>3</b>			
Shows knowledge of recruitment process/job descriptions	<b>1-2</b>	K + K	Limited analysis of <b>two</b> elements of a job description	<b>2</b>			
		K	Limited analysis of <b>one</b> element of a job description	<b>1</b>			
No creditable content							

Question	Answer	Marks
2(d)	<p><b>Content</b></p> <ul style="list-style-type: none"> <li>• Specific job title – should only target those who are interested in this job. However, is it too specific – are KC likely to find enough of a pool of people?</li> <li>• Some of the items belong on a person specification.</li> <li>• Specific skills – produce and decorate cakes and creative.</li> <li>• Set hours of work – again should reduce the potential recruits – is it really seven days a week?</li> <li>• Why does the person need to be able to produce and decorate cakes when full training will be given?</li> <li>• Is it legal/ethical to state that the worker should be young? Why is this important?</li> <li>• No mention as to why the worker needs a driving licence?</li> <li>• Rate of pay is very vague – will this put potential applicants off?</li> <li>• Does not mention production method</li> </ul>	