

Mark Scheme (Results)

January 2012

GCE Applied Business (6916)
Paper 01

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Exemplar Responses	Mark Allocation
1a) AO1 MB1 = 2	<ul style="list-style-type: none"> • Because the British economy has had a negative effect on the business • Because sales have declined • To maintain an income for the business/family • So that David and John do not have to look for another job • To protect local family reputation/image/status • To protect the jobs of 250 employees • To avoid further redundancies • Bankruptcy avoided 	1 mark for each reason (2 marks)

Question Number	Exemplar Responses	Mark Allocation
1b) AO2 Mb1 = 2 MB2 = 2	<ul style="list-style-type: none"> • To increase sales/reduce decline in sales – this will improve income – and help the business pay its way – although this may not be realistic in economic climate described • To avoid further redundancies – which will cost the business more money – and deplete the skill base – and the number of people that can do the work • To reduce overheads – this would help reduce the running costs – the money needed to stay in business – and reduce the need to find additional finance • To find new customers – try outside the Redcar area – in other parts of the UK/Europe – that have not been so badly affected by the recession • To find a new market – such as making components for a different industrial sector – they could try electronics/making parts for computer casing – which is more buoyant than engineering <p>(Do not give the mark for 'objective' if it states 'survival' explicitly – but this term may be included as a consequence of the given objective)</p>	1 mark for objective + 1 mark for examining how objective works in context (maximum 3 marks) (4 marks)

Question Number	Exemplar Responses	Mark Allocation
1c) AO1 MB1 = 2	<ul style="list-style-type: none"> • It has limited liability • Liability is limited to the value of the share capital when the business was set up • All the shares will be owned by the family or agreed private investors • Sale of shares needs to be agreed by existing shareholders • It is incorporated/has a legal identity • Must have 2 named directors. 	1 mark for each feature (2 marks)

Question Number		Indicative content
1d)		<p>If a business is fighting for its survival it is likely to be suffering from the effects of the economic situation – or that its competitors have taken so much of its market that it is struggling to make any sales – in both these situations management must take a lead – this means assessing the business situation – getting advice from business experts – and using their skills/knowledge/experience to come up with a strategy for the business – that will start to reverse the trend – and give the business a clear direction — and give it a profitable future – this may include making some tough decisions – such as reducing the size of the workforce/moving into a new market - but ultimately these decisions are the responsibility of management because it is being paid to run the business successfully</p> <p><u>Management responsibilities could include:</u></p> <ul style="list-style-type: none"> • Leadership • Planning • Decision making • Heading chain of command • Motivation/motivating employees • Assessing employees • Disciplining employees • Communication with employees • Dealing with non-routine matters • Ensuring the survival of the business
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 – 3	<p>Candidate shows some knowledge and understanding that shows a basic or general understanding of the responsibilities of management in a business; any reference to responsibilities in the context of business survival will be generic or limited.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with little accuracy.</p>
Level 2	4 – 6	<p>The candidate applies their knowledge and understanding to show that they understand the different responsibilities of management in a business; candidate makes some limited application of responsibilities to a business that is fighting for its survival.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with limited accuracy.</p>
Level 3	7 – 9	<p>The candidate starts to analyse the different responsibilities of management in a business; responsibilities are being applied to the survival of the business.</p> <p>The candidate uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy</p>
Level 4	10 - 12	<p>The candidate demonstrates that they understand the situation, putting forward a fluent analysis of the different responsibilities that management has in the situation given; candidate relates these responsibilities directly to the survival of the business.</p> <p>The candidate uses appropriate specialist terms and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.</p>

Question Number	Exemplar Responses	Mark Allocation
<p>1e)</p> <p>AO1</p> <p>MB1 = 1</p> <p>MB2 = 1</p> <p>MB3 = 2</p>	<p><u>Functional areas could include:</u></p> <ul style="list-style-type: none"> • Sales • Marketing • Finance • Distribution • Production • HR • Etc. <p><u>Do not accept generalisations such as 'management', or job roles.</u></p> <p><u>Name of Business: Tesco</u> Main Activities: supermarket retail</p> <p>One functional area in Tesco is the accounts department – they are responsible for handling the money side of the business – this includes doing the payroll for employees – and paying supplier's invoices</p> <p><u>Name of Business: McDonalds</u> Main activities: providing good quality burgers</p> <p>The main functional area at my local McDonalds is the team that actually cooks and produces the food – based in the kitchen they prepare orders for customers – by cooking the burgers and filling them into buns – they then wrap them in greaseproof paper so that they are ready for customers when they buy them</p>	<p>1 mark for naming functional area</p> <p>1 mark for stating what functional area does</p> <p>1 mark for outlining the work carried out in functional area (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
<p>1f)</p> <p>AO2</p> <p>MB1 = 2</p> <p>MB2 = 2</p> <p>MB3 = 2</p>	<p><u>Name of Business: Waitrose</u> <u>Main Activities: food retail</u></p> <p>One of the main aims of Waitrose is to provide its customers with top quality food – having set this aim it must make sure that it does it – this is achieved by sourcing products from suppliers who they judge will provide good quality goods – based on quality standards set by Waitrose itself – the suppliers are constantly monitored – and subject to Waitrose quality control inspections.</p> <p><u>Name of Business: Co-Op Bank</u> <u>Main activities: providing banking facilities and financial services</u></p> <p>On its website the Co-Op bank states that it is ‘good with money’ which must therefore be one of its aims – being a bank this means that it must be good at running customers’ accounts – and good at investing – but being the CoOp it also means that it will only invest in ethical industries – or businesses that do not exploit employees</p> <p><u>Name of Business: Polycell Ltd</u> <u>Main activities: manufacturing products for DIY and decorating</u></p> <p>One of the aims of this business is to give its customers the means to decorate their home well – it does this by making products that are easy to use- and with top quality ingredients – that are not going to fail - they also provide instructions that are written in plain English - so that they are easy to follow</p>	<p>1 mark for aim</p> <p>+</p> <p>1 mark for describing or explaining how aim influences the product or service (maximum 5 marks)</p> <p>(6 marks)</p>

Question Number		Indicative content
2a)		<p>Exit interviews are what employers, like <i>SSL</i>, will arrange for employees who are leaving the company – they are usually carried out by the human resource team – and cover issues such as the reasons why the employee is leaving – confirmation of the fact that all the legal paperwork has been completed – such as the preparation of P45 forms, final wages etc. – they may also cover the welfare arrangements of the employee and their family – the advantages of exit interviews for the employees will include making sure that they get everything that they are entitled to under employment law – confirming that their employment records are correct and up-to-date so that they can use these when they apply for a new job – and making sure that they will get a good reference. From the point of view of <i>SSL</i>, the employer, exit interviews will prevent ex-employees suing for wrongful dismissal, as all the issues will have been resolved at the exit interview – and making sure that the employees leave on good terms so that there is no danger of disgruntled employees making trouble – such as complaining to the local newspaper and creating negative publicity for <i>SSL</i></p> <p><u>Notes:</u> 1) there is a maximum of 8 marks for a one-sided answer that focuses solely on either the advantages to <i>SSL</i> or the advantages to the employees 2) In the context of this paper, exit interviews could include review interviews that are used to decide on who to make redundant</p>
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 - 3	<p>Candidate shows some factual knowledge and understanding of exit interviews as a technique, there is no analysis or application of the advantages of exit interviews for <i>SSL</i> or its employees</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with little accuracy.</p>
Level 2	4 - 6	<p>Candidate starts to apply knowledge and understanding to show that they know about the use of exit interviews; there may be some basic analysis of the advantages of exit interviews for <i>SSL</i> or its employees, but answers likely to be more generally descriptive than analytical.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with limited accuracy.</p>
Level 3	7 - 9	<p>In addition to generic knowledge and understanding of exit interviews, candidate starts to focus on the particular features of exit interviews – what they are, why they are carried out etc.; candidates gives some advice relating directly to exit interviews; there will be some analysis of the advantages to <i>SSL</i> and its employees, although this may be one-sided.</p> <p>The candidate uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy.</p>
Level 4	10 - 12	<p>The candidate is confident and fluent in their writing about exit interviews; they will show a thorough understanding of exit interviews, analysing the advantages to both <i>SSL</i> and the employees.</p> <p>The candidate uses appropriate specialist terms and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.</p>

Question Number	Exemplar Responses	Mark Allocation
<p>2b)</p> <p>AO1 MB2 = 2 MB3 = 2</p>	<ul style="list-style-type: none"> • employees have the right to be treated fairly - the employer should use a fair and objective way of selecting people to make redundant • the employer must follow the correct process – as laid down in employment legislation • employers have a duty to consult with the potentially affected employees' representatives – such as trade union/ staff association • redundant employees may have the right to time off for job hunting – rather than waiting until they actually leave the business • employees being made redundant are entitled to statutory redundancy pay - based on age and length of service as set out in current employment legislation <p>(Also accept answers that are more general and not necessarily related to redundancy)</p>	<p>1 mark for each employee right (maximum 2 marks)</p> <p style="text-align: center;">+</p> <p>1 mark for outlining each right</p> <p style="text-align: center;">(2 + 2)</p> <p style="text-align: center;">(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
<p>2c)</p> <p>AO1 MB1 = 1 MB2 = 2 MB3 = 1</p>	<ul style="list-style-type: none"> • to protect member's rights • to represent the best interests of members • to negotiate terms/conditions/redundancy payment with employer on behalf of members • to investigate alternative employment for members • to advise members of their rights • to advise members on alternative employment options • to provide welfare support for members 	<p>1 mark for each different service</p> <p style="text-align: center;">(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
2d) AO3 MB1 = 1 MB2 = 2 MB3 = 3	<p><u>Name of Business: Shirley's Caffi</u> <u>Main Activities: making food and drinks for people who visit the market in Cardiff</u></p> <p>When they need new employees at Shirley's they put a card on the window – this can be seen by customers – and anyone who passes by – in addition, they put another card on the market notice board – if these do not work they take out a small ad in the South Wales Post or the Cardiff Post – which will attract a much wider audience of potential employees</p> <p><u>Name of Business: Sainsbury's</u> <u>Main Activities: food and drink retail supermarkets</u></p> <p>Sainsbury's advertise for new employees in their stores – and on their website – the website is particularly important because they expect applicants to complete a form on line – and submit it before they are even considered for a job – the website attracts a lot of applicants as it can be accessed by anyone who has a computer - and is not dependent on someone seeing the advertisement in the store</p> <p>(Note: This question is about new employees, so any references to internal advertising of jobs cannot be rewarded)</p>	<p>1 mark for each way that business advertises for new employees (maximum 3 marks)</p> <p>1 mark for discussing the various ways that the business advertises for new employees (maximum 5 marks)</p> <p>(6 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
2e) AO2 MB1 = 4	<p><u>Name of Business: Continum Insurance</u> <u>Main Activities: local insurance broker for domestic and business customers</u></p> <p>Employees are sent on computer training courses run at an IT centre nearby – there, they can use the latest computer equipment – and learn how to use the latest software – so that the business can keep up-to-date with new technology</p> <p><u>Name of Business: Simon Penn School</u> <u>Main Activities: educating children</u></p> <p>Our teachers are trained on a regular basis during the school week – known as a INSET – the head teacher arranges for either an expert or a speaker to come along – and give staff special training in a particular subject, such as examination technique</p>	<p>1 mark for example of training method</p> <p>1 mark for description of training method used by the named business (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
3a) AO3 MB1 = 2 MB2 = 2	<ul style="list-style-type: none"> • Reassure them that their future is secure – take them into confidence and explain to them the plans for the business – explain how management are planning to get the business out of the recession – and how they intend to take the business forward • Training – to give employees new/up-to-date skills – this will demonstrate that the business cares about remaining employees – and is prepared to support them/improve their range of skills • Improve facilities – such as a new canteen/coffee machines – this will make employees' working life more comfortable – and encourage them to continue working/supporting the business • Provide free food/drinks – this will save employees money – it will not be taxed – which means that even in difficult financial times their basic wage will go further <p>(No marks for generic terms such as financial/non-financial or inappropriate methods of motivation for SSL, such as: free car, massive financial bonus, free holidays, additional holiday entitlement, employee of the month etc.)</p>	<p>1 mark for appropriate method of motivation (maximum 2 marks)</p> <p style="text-align: center;">+</p> <p>1 mark for explanation (maximum 3 marks)</p> <p style="text-align: center;">(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
3b) AO1 MB1 = 4	<ul style="list-style-type: none"> • physiological/basic needs – redundancy will affect/stop wages/income which could result in employee not being able to pay for food/home/heating • security and safety – job security will go and this could affect the security of having a home • belonging and love – there will no longer be a friendly working team to be part of as employees made redundant will lose workmates/friends esteem will go, as there will no longer be a job on which to base • esteem – redundant employees will feel inferior to those that are left and lose any pride or feeling of accomplishment that they once felt from their job • self-actualisation will no longer be achievable within current job/SSL - as job will no longer exist 	<p>1 mark for stating employees' need, based on Maslow (maximum 2 marks)</p> <p style="text-align: center;">+</p> <p>1 mark for developing how need is no longer being met as a result of the redundancy (maximum 2 marks)</p> <p style="text-align: center;">(2 + 2)</p> <p style="text-align: center;">(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
<p>3c)</p> <p>AO2 MB1 = 2 MB2 = 1 MB3 = 1</p>	<ul style="list-style-type: none"> • Nationally recognised training schemes are developed by specialist awarding bodies – which means that a business like <i>SSL</i> will not have to develop its own schemes – but can use a training scheme that is recognised/acknowledged to work – which will save the business money • There has been an expansion of apprenticeships – these are schemes for young people who want to learn particular skills in industry – they are part funded by the government – which means that <i>SSL</i> will not have to pay the full amount while the apprentice is being trained 	<p>1 mark for recognition of nationally recognised training schemes (may be implied) (maximum 2 marks)</p> <p>1 mark for explanation of how nationally recognised training schemes could help develop the business in the future (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
<p>3d)</p> <p>AO3 MB1 = 1 MB2 = 2 MB3 = 1</p>	<p><u>Employees could be affected in a number of ways, including:</u></p> <ul style="list-style-type: none"> • Wage freeze • Wage cut • Loss of benefits • Shorter working hours • Increased insecurity • Loss of morale <p><u>Answers could be in the form of:</u></p> <ul style="list-style-type: none"> • Employee wages could be cut – as this is a direct way of reducing overall costs – and will affect the company accounts/bottom line immediately – employee morale is also likely to fall as a result 	<p>1 mark for way + 1-3 marks for explanation</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
3e) AO4 MB1 = 2 MB2 = 1 MB3 = 1	<ul style="list-style-type: none"> • If there is an upturn in business/sales – which cannot be met by reduced workforce – temporary workers are employed – so that they can be laid-off easily if increase in business is not sustained • If a customer wants a large/rush order - that cannot be met with reduced workforce – additional employees are taken on as temporaries – until order is completed • If some employees are unsettled by redundancies – and leave the business of their own volition before they are also made redundant – this means that they can leave at a time of their own choosing – this will leave Shoreline Steels with positions that need to be filled • If they need to recruit someone who has specialist skills - that are not available in remaining workforce – as new technology comes into the industry – and customer start expecting that all suppliers will be up-to-date 	1 mark for need (maximum 2 marks) + 1 mark for considering why business may need to start recruiting in future (maximum 3 marks) (4 marks)

Question Number	Exemplar Responses	Mark Allocation
3f) AO1 MB1 = 4	<p><u>Name of Business: Sainsbury</u> <u>Main Activities: grocery supermarkets</u></p> <p>Sainsbury implement the Working Time regulations – by making sure that all employees have regular breaks – do not work longer than the legislation specifies – and have the required number of days off each week</p> <p><u>Name of Business: GlaxoSmithKline</u> <u>Main Activities: medical research and manufacturing pharmaceuticals</u></p> <p>If an employee becomes pregnant they are given their statutory maternity leave – this means that Glaxo give them up to 52 weeks leave – with maternity pay for the first 39 weeks – they also keep the job open so that the employee can return to work if they want to</p> <p>(Other legislation mentioned in the Specification, relating to protecting the wellbeing of employees includes: paternity leave and minimum wage rates. Award marks for any other legislation that is designed to protect the wellbeing of employees, such as health & safety)</p>	1 mark for recognising legislation that protects the wellbeing of employees (may be implied rather than named) + 1 mark for how business implements legislation (maximum 3 marks) (4 marks)

Question Number	Exemplar Responses	Mark Allocation
<p>3g)</p> <p>AO1</p> <p>MB1 = 1</p> <p>MB2 = 5</p>	<p><u>Name of Business: McDonalds</u> <u>Main Activities: fast food restaurants</u></p> <p>Opportunities for promotion are based on either how long you have worked there – or how much training you are given – the longer you work there the more chance there is of being promoted as you will have developed more experience – and it is experience that counts when you are dealing with customers – you can also get promoted if you pass all of the training – the more trained you are the more chance there is of being promoted</p> <p><u>Name of Business: Warner’s Motors</u> <u>Main Activities: VW main dealer and used car sales</u></p> <p>If you work on the sales side at Warner’s you can get promoted if you are good at selling – the more cars that you sell the greater the chance of being promoted – Warner’s believe in rewarding successful employees – and they do this through internal promotion – giving you a better title - rather than paying you more money</p>	<p>1 mark for each point in the outline of how internal promotion opportunities are created (maximum 3) plus up to 5 marks for development</p> <p>(6 marks)</p>

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