

Mark Scheme (Results)

January 2011

GCE

GCE Applied Business (6916)

Paper 01 Investigating People at Work

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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	Mark Allocation	Exemplar Responses
1 (a) A01 MB1 = 2	1 mark for reason (2 marks)	<p>Provide income for Roland Berg and family</p> <p>Provide employment for the twenty members of staff/family</p> <p>Generate income for business/family/employees</p> <p>To pay off loans/debts</p> <p>To pay HM Revenue and Customs/HMRC/taxman</p> <p>To avoid bankruptcy</p>

Question Number	Mark Allocation	Exemplar Responses
1 (b) A01 MB1 = 2	1 mark for basic way (2 marks)	<p>Will need to have objectives that are SMART (accept examples based on individual elements of SMART)</p> <p>Need to make sure that objectives are realistic/achievable</p> <p>To meet this aim the business will need appropriate resources</p> <p>Will need to plan each stage of the job</p> <p>Employees know what to do/what they should be doing/know their targets</p> <p>Business will need to ensure customer satisfaction</p> <p>Business will need to improve quality/maintain good quality products/service</p> <p>(Allow only one generic answer)</p>

Question Number	Mark Allocation	Exemplar Responses
<p>1 (c)</p> <p>A01</p> <p>MB1 = 2</p> <p>A02</p> <p>MB1 = 2</p>	<p>1 mark for stating how (maximum 2 marks)</p> <p>+</p> <p>1 mark for describing how functions work together (maximum 3 marks)</p> <p>(4 marks)</p>	<p>So that distribution/delivery can plan its logistical requirements - so that the factory does not get clogged up with undelivered items</p> <p>So that customers receive their printed items on time - which will reduce chance of dissatisfied customers</p> <p>So that customers receive their printed items in perfect condition/undamaged - to avoid loss of business in future/loss to competitors</p> <p><u>Production and distribution:</u></p> <p>Communicate - in regular meetings - to plan output - to plan delivery resource requirements</p> <p>Production produce schedules of work - distribution organise vehicles - they must communicate - so that they know what is happening</p>

Question Number	Indicative content
<p>1 (d)</p> <p>QWC (i iii)</p> <p>AO1 MB2 = 2 MB3 = 1</p> <p>AO2 MB1 = 1 MB2 = 1 MB3 = 1</p> <p>AO3 MB1 = 1 MB2 = 1 MB3 = 1</p> <p>AO4 MB1 = 1 MB2 = 1 MB3 = 1</p>	<p>Assessment will include issues such as:</p> <p>Repayment term of 20 years - long time to have debt hanging around the neck of the business</p> <p>Choice of fixed interest rate - good if interest rates increase/bad if rates fall/business locked-in and cannot change rate if it proves to be a problem</p> <p>No mention of what would happen if business wants to pay off lump sums/repay the entire loan early - may get involved in fee/charge for early payment</p> <p>Any property used as security, which many include home, may be repossessed if it does not keep up repayments on loan</p> <p>The size of the loan - will mean that work/income will need to be substantial to pay back loan</p> <p>Long-term/future commitment - work/income for business will need to be sustained over long period in order to pay interest/loan That business was fortunate/has a good relationship with bank - as banks have become more reluctant to provide finance Business will become more cautious - will not want to take risks in case it cannot pay back loan Management pays more attention to costs - as it will need to generate as much money as possible to pay back loan</p> <p>Business increases its marketing activity - as it needs to generate more money to fund loan Business tries to increase production/attract larger orders/take on more work - to generate more income</p> <p>Business may employ more people - as the increased demand needed to generate more income cannot be achieved with existing number of employees</p> <p>A level 3 response will show some assessment of the situation fluently, and can put forward basic reasons for and against taking out this loan, there is some understanding of the long-term implications of a loan of this size, and can draw on different sources or examples to support answer.</p> <p>A level 4 response would have assessed the situation thoroughly, and can put forward arguments for and against taking out this loan, speculating how the loan of this size will affect how Berg Printers Ltd operates in the future, short-term and long-term, such as:</p> <p><i>Loan is for a large amount of money - and it is to be repaid over 20 years - which is a long-term commitment for any business - it will need to consider how it will generate sufficient income to pay back the loan - as well as paying for all its normal overheads and running costs - the commitment to repayment may also restrict other areas of expenditure - such as wages/terms/conditions for employees - as well as salary levels and bonus for directors - on the other hand the new machine should enable the business to generate more income - as it has a good reason to promote itself - and could attract new customers - and impress existing customers - about the new service and quality of printing that is now possible as a result of the new machine - it will enhance the image of the business and could help it develop/expand - on balance I think that it would be a good investment - so long as the management keep an eye on overheads - and use it to promote the business and attract more customers</i></p>

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 - 3	Candidate has some knowledge that shows a basic understanding of how the operation of Berg Printers Ltd will be affected in the future if it takes out this loan. 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.
Level 2	4 - 6	The candidates applies their knowledge and understanding to show that they understand how the operation of Berg Printers Ltd will be affected in the future if it takes out this loan, drawing on different sources or examples to support their answer. 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.
Level 3	7 - 9	The candidate has done some assessment of the situation fluently and can put forward basic reasons for and against taking out this loan; there is some analysis of the long-term implications of a loan of this size. 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.
Level 4	10 - 12	The candidate has assessed the situation thoroughly, and can put forward arguments for and against taking out this loan, speculating how the loan of this size will affect how Berg Printers Ltd operates in the future, short-term and long-term. 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.

Question Number	Mark Allocation	Exemplar Responses
1 (e) AO2 MB1 = 2 MB2 = 2 MB3 = 2	1 mark for plan for its survival (maximum 2 marks) + 1 mark for examining plans (maximum 3 marks) + 1 mark for how plans are designed to ensure survival (maximum 2 marks) (6 marks)	<p><u>Tesco</u> When the recession started to take effect the first thing that Tesco did was to introduce more 'value brands' - these are low price alternatives to the well-known brands of product - the idea was to retain customers by offering better value for money - then they started to offer double points on their loyalty card - the meant that shoppers would get greater rewards for shopping at Tesco - it would also attract shoppers from other supermarkets which will help build a bigger customer base for the future</p> <p><u>David Morris Motors</u> As second-hand car dealers this business could have got into difficulty when customer stopped buying cars so they did two things to help them survive: they had to lay-off the casual staff that did odd jobs like washing cars - and they reduced the prices of their most popular vehicles - by laying off staff they reduced their overheads - this meant that any income they received could go back into the business - by reducing prices they wanted to attract anyone that was still in the market for a used car - by keeping selling cars, even at a lower price, the business would survive because it was still generating income</p>

Question Number	Mark Allocation	Exemplar Responses
1 (f) AO1 MB1 = 2 MB2 = 2	1 mark for basic features of role of a manager (maximum 2 marks) + 1 mark for developing outline of role of chosen manager (maximum 3 marks) (4 marks)	<p><u>ASDA</u> A manager of an ASDA store has to make sure that sufficient staff turn-up each day to run the store safely and efficiently - and to make sure that there is enough stock to keep the shelves filled - to make sure there is enough staff the manager will need to plan requirements - and to inform casuals that there will be some work for them</p> <p><u>Grateful Heads</u> The manager at this hairdresser is the person who does all the organising - and makes sure that stylists keep up with the work so that customers do not have to wait to be dealt with - the manager also takes the payments - and makes sure that the money is banked every evening</p>

Question Number	Mark Allocation	Exemplar Responses
<p>2 (a)</p> <p>AO3 MB1 = 2 MB2 = 2 MB3 = 2</p>	<p>1 mark for why a good reason (maximum 2 marks) + 1 mark for why not a good reason (maximum 2 marks) + 1 mark for developing discussion (maximum 4 marks)</p> <p>(6 marks)</p>	<p><u>Good reason because:</u></p> <ul style="list-style-type: none"> • Existing staff may not be trained to use new machine/new technology - so business would not be able to function if it could not use new machine - so needs to recruit employees who have the experience • All current employees will be busy working on existing machines - new machine should create more work for this business - so it will need more people to get the work done • It will help the business expand - because more employees should mean greater output/capacity - which should in turn generate more income • New employee could bring new ideas/expertise to the business - this will stimulate existing employees to perform better - to pick up new ideas - which will make the business more attractive to customers <p><u>Not a good reason because:</u></p> <ul style="list-style-type: none"> • New employees will add to costs/overhead - which means that more orders or more customers will be needed - which will put pressure on management to promote the business more • Recruiting takes time - which could take management away from running the business - which could create problems relating to quality/customer service/etc • Recruiting costs money - will have to pay recruitment agencies/head hunters/advertising - which will add to the income/profit that business will need to produce • May not be able to find someone who is already trained - which will mean that business will have to spend money/time/effort on training - may as well train up existing staff • Business has taken out a huge loan - which will need to be repaid - taking on new employees will add to costs/overheads so may not be a good idea

Question number	Mark allocation	Exemplar responses
2 (b) AO1 MB3 = 2	1 mark for knowledge of aptitude testing (may be implied) + 1 mark for how aptitude testing could be used by <i>Berg Printers</i> (2 marks)	<ul style="list-style-type: none"> Designed to find out if applicant can actually do the job - the idea is to see if candidate can perform a task that they say they can do Applicants are given a practical test/trial - they are asked to set-up/run a printing machine

Question number	Indicative Content
2 (c) QWC (i-iii) AO1 MB2 = 2 MB3 = 1 AO2 MB1 = 3 AO3 MB1 = 1 MB2 = 1 MB3 = 1 AO4 AO1 = 1 AO2 = 1 AO3 = 1	<p><u>In-house, on-the-job training</u></p> <ul style="list-style-type: none"> Takes place as worker is actually doing the job Trainee learns by actually doing the job/using the new machine <p><u>Benefits</u></p> <ul style="list-style-type: none"> Work/printing is actually being produced during training Practice on the actual machine/in the workplace should improve skill level Familiarity with surroundings may give trainee confidence Easy to arrange No direct cost for travel/going to external training <p><u>Drawbacks</u></p> <ul style="list-style-type: none"> If trainee gets it wrong work may be lost/there may be a cost to the business/a customer may be dissatisfied/let down Sometimes difficult for trainee to concentrate in familiar surroundings/in front of other workers Mistakes made may make it dangerous for other workers Training may take other/more experienced workers off their own jobs Trainee may not like being trained/told what to do by fellow worker

External, off-the-job training

- Takes place when the worker is not actually doing the job
- May take place in purpose-built training facility
- May use special training equipment
- May involve specialist trainer

Benefits

- If trainee does something wrong/makes a mistake the work does not suffer/there is no cost implication for business/reputation will not be affected
- Trainees find it easier to concentrate as they are in a special facility/are away from regular workplace/do not have to worry about performing in front of other workers
- Does not put other workers in danger
- Can be done outside normal working hours
- Can be seen as an incentive as it is a day away from work

Drawbacks

- No work being done by trainee so business may lose out/work may have to be caught-up later
- Specialist facility must be found/booked/paid for
- Training in specialised facility may not show-up problems that could actually arise in the real workplace/on the real machine
- It needs to be organised/takes time which is not directly productive
- Trainee will feel privileged and this will help raise esteem/confidence
- Trainee may be seen as privileged by other workers which could cause problems of resentment/put pressure on business for more training of other employees
- Will cost business money for using facility/for use of specialist trainer

A level 3 response will show some comparison of the differences between inhouse, on-the-job training and external, off-the-job training, and can draw on different sources or examples to support their answer.

A level 4 response will give a fluent comparison of in-house, on-the-job training compared with external, off-the-job training, and has given full consideration of both for the situation at *Berg Printers Ltd.*, such as:

In-house on the job training means that employees are trained in the workplace on the machines that they will be using - whilst they are

		<i>actually doing the work/using the machines - this is a good way of training because it is real - and is using the actual machines - rather than using similar machines elsewhere - the downside of this form of training is that employees may consider it to be a cheap way of training - or not even real training at all as it is just like another day at work - on the other hand, off the job training will be carried out away from the workplace - usually somewhere that is specially set-up for training - it is also likely that trained instructors will be available who specialise in this kind of thing - it makes employees feel special as the business is spending money - and they are getting a day out - this is likely lose self-esteem - and could help the employees feel more positive about the business - and as a consequence work harder - or be more committed to the introduction of a new machine</i>
Level	Mark	Descriptor
No mark	0	No rewardable material
Level 1	1 - 3	Candidate shows knowledge and understanding of features of inhouse, on-the-job training and external, off-the-job training. 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.
Level 2	4 - 6	The candidate applies their knowledge and understanding of in-house, on-the-job training and external, off-the-job training to show that they understand the main differences/main pros and cons for a business like <i>Berg Printers Ltd</i> . 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.
Level 3	7 - 9	Candidate gives some comparison of the differences between inhouse, on-the-job training and external, off-the-job training, and can draw on different sources or examples (applied to Berg Printers) to support their answer. 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.
Level 4	10 - 12	The candidate gives a fluent evaluation of in-house, on-the-job training compared with external, off-the-job training, and has given full consideration of both for the situation at <i>Berg Printers Ltd</i> . 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.

Question Number	Mark Allocation	Exemplar Responses
<p>2 (d)</p> <p>AO1 MB1 = 2 MB2 = 2 MB3 = 2</p>	<p>1 mark for identifying each reason (maximum 2 marks) + 1 mark for describing each reason (maximum 4 marks)</p> <p>1+2 x 2 (6 marks)</p>	<p><u>Sele Middle School</u> The two main reasons for recruiting new staff at Sele school are because staff leave - and when it needs specialist teachers - if staff leave it has to recruit someone else quickly - as it puts pressure on existing staff or we have to combine classes which makes them too big - some subjects are very specialised or need technical knowledge - so it is important to get someone who knows what they are teaching</p> <p><u>McDonalds</u> The two main reasons that they need to recruit are that staff leave because they find a better job - or because they don't like the hours - either way they must recruit so there are enough staff to keep the place open - and to serve customers - working at McDonalds is often a temporary job that people take before they find a permanent job that they want - for others, it is the shift work and late hours that they cannot stand so they leave to find something with hours that fit-in with their social life</p>

Question Number	Mark Allocation	Exemplar Responses
<p>2 (e)</p> <p>AO1</p> <p>MB1 = 2</p> <p>MB2 = 2</p>	<p>1 mark for method of assessment (maximum 2 marks)</p> <p>+</p> <p>1 mark for applying assessment method to management position (maximum 3 marks)</p> <p>(4 marks)</p>	<p><u>Pearces Plastic Moulding</u> When you apply for a factory management position at Pearces you are asked what experience you have had managing people before - this is checked with previous employers - you are also introduced to the production director and some of the supervisors - this appears to be a very informal method of assessment but it is important to see if a new manager is likely to get on with existing management and employees</p> <p><u>SFC Pharmaceuticals</u> Anyone applying to be a manager here and gets through to the short-list has to answer a series of questions and their answers are analysed by a psychologist - this is called a psychometric test - psychometric testing is used because managers here have to have the right attitude and psychological profile - as well as the right qualifications</p> <p><u>Fore Street Recruitment</u> Fore Street Recruitment gives them a typing test before they take on any recruits for administration management - this is a form of aptitude testing - it is designed to make sure that any new recruits are capable of doing the job - and can take over if there are any staff problems.</p>

Question Number	Mark Allocation	Exemplar Responses
3 (a) AO2 MB1 = 4	1 mark for why they need to motivate employees (maximum 2 marks) + 1 mark for applying reason to the business (maximum 3 marks) (4 marks)	<ul style="list-style-type: none"> Existing employees may feel inferior - because they cannot use the new machine - this could cause them to be less interested/motivated in their current job - so they would need to be supported/motivated to make sure that the work does not suffer Employees may feel that as they had worked there longer they should be the ones trained on the new machine - if they see new employees coming in, they will not like the way they have been treated - may no longer feel part of the team as they are not being trained - could leave or work with less commitment May feel that they will lose-out on wages as new machine likely to generate more work/more opportunity for overtime- may feel that their income is not secure - may feel that if they are not trained on the new machine their jobs may not be secure in the future - need to be reassured that they are still important to the business

Question Number	Mark Allocation	Exemplar Responses
3 (b) AO2 MB1 = 2 MB2 = 2 MB3 = 2	1 mark for relevant employment legislation + 1 mark for aspects of relevant employment legislation (maximum 3 marks) + 1 mark for how employment legislation could affect ability to meet customer's deadline for delivery (maximum 3 marks) (6 marks)	<p><u>Employment legislation</u></p> <ul style="list-style-type: none"> Working Time Regulations/ Working Time Directive - defines weekly working limit - designed to protect of the workers' health and safety/ designed to ensure that workers do not work for more than an average of 48 hours in each seven days/over a 17 week period <p><u>Effect on ability to meet customer's deadline for delivery</u></p> <ul style="list-style-type: none"> Could limit potential for overtime Printers operate 45 hours a week getting very close to 48 hour maximum, which leaves little time for overtime if required to complete a job Business could not deliver on time/miss customer's deadlines

Question Number	Mark Allocation	Exemplar Responses
<p>3 (c)</p> <p>AO2 MB1 = 2 MB2 = 2</p>	<p>1 mark for how aim satisfies Maslow's hierarchy of needs (maximum 4 marks)</p> <p>or</p> <p>1 mark for how aim satisfies one of Maslow's needs</p> <p>+ 1 mark for development (maximum 3 marks)</p>	<ul style="list-style-type: none"> • Theory is based on recognising basic human needs - 'fair day's pay' may meet physiological needs - by providing wage/income which worker could spend - on home/essentials of life • Regular wage could ensure that home is safe/secure from banks - this produces security - security is one of the basic needs recognised by Maslow - so employees feel safer/more secure in their way of life • Gives employees a wage/discretionary income which could be spent on leisure activities - this could include activities with other members of working team - which creates bonding/belongingness - this is one of the basic needs recognised by Maslow • a fair wage means that worker can pay their way - and therefore create some esteem in social situations - esteem is one of the basic needs recognised by Maslow - and means that employees feel better about themselves • Self actualisation could be achieved - as the wage would satisfy all the other levels - leaving the employee free to pursue activities which will produce self actualisation - such as leisure/academic achievement

Question Number	Mark Allocation	Exemplar Responses
<p>3 (d)</p> <p>AO4 MB1 = 2 MB2 = 1 MB3 = 1</p>	<p>1 mark for basic effect on workforce (maximum 2 marks)</p> <p>+ 1 mark for considering the effect it is designed to have on the workforce (maximum 3 marks)</p> <p>(4 marks)</p>	<ul style="list-style-type: none"> • Makes them think more positively about employer - less likely to complain about pay/conditions - most workers are pleased to have a day off work - this is even better because the employer is paying - • As all employees are involved they will start to bond social - this could help them to work better as a team - which means that production is likely to be more efficient - and the working atmosphere is likely to be better

Question Number	Mark Allocation	Exemplar Responses
3 (e) AO1 MB1 = 2	1 mark for environmental issue (2 marks)	<p><u>Environmental issues relating to use of large quantities of paper</u></p> <ul style="list-style-type: none"> • Uses lots of trees • Need to source from a renewable resource • Produces paper waste which could be/should be sent for recycling <p><u>Environmental issues relating to use of large quantities of ink</u></p> <ul style="list-style-type: none"> • Uses chemicals • Containers need to be disposed of safely/recycled • Need to be stored/used carefully as could cause chemical spillage/pollution

Question Number	Mark Allocation	Exemplar Responses
3 (f) AO3 MB1 = 2 MB2 = 2 MB3 = 2	1 mark for stakeholder (may be implied) (maximum 2 marks) + 1 mark for methods of communication (maximum 2 marks) + 1 mark for discussing why method of communication effective for stakeholder (maximum 2 marks) (6 marks)	<p><u>Aviva Insurance</u> Policy holders are typical stakeholders - and so are suppliers - Aviva communicates with both types of stakeholder using printed matter - delivered by mail - this is appropriate because communications usually involve a lot of information and technical detail - which must be read thoroughly as it could affect stakeholder's protection or income</p> <p><u>T-Mobile</u> Communicates with pay-as-you-go users - via SMS/text messages - this is because it is instant - and will not cost them much money to do a mass text - this method is appropriate all users will have this facility on their phones - and are likely to be used to using this method of communication themselves</p>

Question Number	Mark Allocation	Exemplar Responses
<p>3 (g)</p> <p>AO1 MB1 = 2 MB2 = 2</p>	<p>1 mark for example of self-regulatory constraint + 1 mark for how a self regulatory constraint affects this business (maximum 3 marks)</p> <p>(4 marks)</p>	<p><u>Tesco</u> Tesco has adopted its own way of providing consumers with information about the nutritional content of its own-label food products - this can be seen by the information printed on the front of packs - showing fat/sugar/salt/calorie content of a typical serving - this has meant that they have to analyse everything they produce/sell and make sure that it is accurate/that customers understand the information</p> <p><u>New River Communications</u> The office manager at New River is very conscious of environmental issues, so much so that she has organised a series of bins for collecting and recycling materials used by the business - all general waste bins have been removed from the office - in their place there are different bins for paper, card, metal and plastic - all employees have been instructed to use these recycling bins</p>

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