

Mark Scheme (Results)

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PL Business, Admin & Finance
(BA309)
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	Answer	Mark
1	B	(1)

Question Number	Answer	Mark
2	A	(1)

Question Number	Answer	Mark
3	A	(1)

Question Number	Answer	Mark
4	C	(1)

Question Number	Answer	Mark
5	D	(1)

Question Number	Answer	Mark
6(a)	<p>Positive for farmers: Starbuck also provide training and guidance on better growing methods (1), which increases quality, and yield of the product (1). Better quality brings a higher price (1). Possible further answers could discuss Starbucks provision of education and support, which helps the local communities to prosper and develop.</p> <p>Note: Accept any other suitable answer.</p>	(3)

Question Number	Answer	Mark
6(b)	<p>Negative for Shareholders: paying higher prices for fair trade goods will increase costs (1). Providing education and support for farmers increase the costs without bringing in additional sales (1). Both of these actions will reduce profits thus dividends (1) in the short term (1).</p> <p>Note: Accept any other suitable answer.</p>	(3)

Question Number	Answer	Mark
6(c)	<p>Price of coffee for consumers is higher (1) Starbucks pay higher prices to farmers for ethically traded products (1) Starbucks also fund development & training programmes for farmers, costs are passed to consumers (1). Higher costs also associated with recycling (1).</p> <p>Customers may not like the initiatives on recycling (1) and having to use paper mugs (1) or they may not want to pay the higher prices for the ethically trade product, and thus move to another coffee house (1).</p> <p>Note: Accept any other suitable answer.</p>	(3)

Question Number	Answer	Mark
6(d)	<p>Those consumers interested in fair trade and ethical and environmental issues more likely to spend money in coffee house that acknowledges and acts on these concerns (1). This positive publicity (1) acts as a competitive advantage (1) and can help the business increase revenues and profits (1) On the other hand if competitors do this then Starbucks must do so as well (1). By encouraging recycling and lower use of electricity overheads will be reduced (1). Work done with farmers reduces waste and improves quality of product which can reduce costs (1), could lead to more customer loyalty due to better end product (1). Improve staff motivation through volunteering/training programmes which could increase staff retention (1).</p> <p>Accept other responses such as gain recognition from external bodies and can therefore reduce external pressures on the business.</p> <p>Accept any other appropriate response.</p>	(6)

Question Number	Answer	Mark
6(e)	<p>Service organisation requires good levels of customer satisfaction (1). This needs highly motivated staff (1) which is achieved through providing share options, training and a good wage levels (1). This is important because 90% of staff are employed on a part-time basis so wont have a long term career prospects (1). Coffee shops are a lifestyle choice, during economic downturn likely to see lower sales (1). Customers expect fast and efficient service from friendly staff and have many other coffee shops to go to if this standard is not maintained (1). Starbucks maintains its competitive advantage through maintaining employee commitment (1). In a time of job losses, staff become demotivated as they fear for their jobs (1). Starbucks have to recognise this and keep staff motivated to ensure service levels do not fall (1).</p> <p>Accept any other appropriate response.</p>	<p>Reasons why commitment is needed = max 2 marks.</p> <p>Explanation of reasons for and impact of committed workforce = max 3 marks</p> <p>Application to the case study = max 2 marks</p> <p>(Max 6 overall)</p>

Question Number	Answer	Mark
7(a)	<p>Candidates should discuss how the initiative or goal will help the local community or farmers.</p> <p>For example: Through the volunteer-to-volunteer programme, Starbucks encourage their staff to work in the community. This helps locals gain the skills for employment (1) so they can contribute to society (1) and earn a wage (1) and so improve the quality of life/standard of living (1). By providing training/education in the coffee growing areas, life expectancy is improved (1), job prospects are improved (1) through environmental stewardship in these areas there is less negative impact (1) on the local environment, improving quality of life (1).</p> <p>Also accept answers related to environmental initiatives that help improve the local area such as recycling and reduced carbon footprint.</p>	<p>(4)</p>

Question Number		Indicative Content
7(b)		<p>One goal is to achieve 100% recycling in stores, ie. to limit the impact disposable cups have on the overall environment and help reduce climate change through using less energy and water. This should help reduce the impact of climate change which will affect Starbucks given they rely on agricultural products which are prone to climate change.</p> <p>When building new restaurants they are also using recycled and renewable construction materials. This could lead to cost increase as recycling may be more expensive, eg transporting waste materials to recycling area and using more expensive renewable energy sources.</p> <p>Both these actions may bring in eco friendly customers rather than them going elsewhere which would help shareholders accept the increased running costs.</p> <p>Initiatives such as switching off lights or turning down the air conditioning will depend on employees being onboard if they are to achieve the goals and this may not be possible given a number of Starbucks staff are students in part time employment. Customers also have a part to play ordering drinks in reusable cups when drinking in store, and an education programme will be needed.</p> <p>Conclusions could included that it may be easy to achieve say 80% recycle but 100% could be a cost too far for example green electricity is more expensive than non green. Will the initiatives actually make a difference to the environment or is it only for public image? Do directors fully support these goals or do they just want more sales and thus profits, in which case there is still a conflict of interest? Candidates may raise an ethical point about whether there should be a trade off between maximising shareholder returns and meeting consumer environmental concerns? Candidates can come to a conclusion either way but the decision must be based on the preceding discussion.</p>
Level	Mark	Descriptor
	0	No rewardable material
1	1-3	Candidates identify a few relevant points from the stimulus but the work is in the main descriptive. The answer may only cover one stakeholder perspective.
2	4-6	Candidates identify the relevant initiatives from the viewpoint of both stakeholder groups. They should be starting to argue the case for or against the environmental programme.
3	7-10	<p>Candidate will come to a judgement about the conflict and the way in which the environmental programme helps resolve this.</p> <p>For maximum marks the candidate must consider both stakeholders and make sound judgment about whether the programme is addressing the conflict between shareholders and the environment using well reasoned argument.</p> <p>Judgements may not be well supported.</p>

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