



## Cambridge International AS & A Level

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**BUSINESS**

**9609/21**

Paper 2 Data Response

**May/June 2021**

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 May/June 2021 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 **20** 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.

**Social Science-Specific Marking Principles  
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require  $n$  reasons (e.g. State two reasons ...).
- d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

**2 Presentation of mark scheme:**

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

**3 Calculation questions:**

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

**4 Annotation:**

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Question	Answer	Marks								
1(a)(i)	<p data-bbox="316 248 839 282"><b>Define the term ‘competitors’ (line 2).</b></p> <table border="1" data-bbox="320 315 1310 611"> <thead> <tr> <th data-bbox="320 315 1177 380">Knowledge</th> <th data-bbox="1177 315 1310 380">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 380 1177 448">A correct definition / to the same/ similar market</td> <td data-bbox="1177 380 1310 448">2</td> </tr> <tr> <td data-bbox="320 448 1177 544">A partial, vague or unfocused definition / same or similar product</td> <td data-bbox="1177 448 1310 544">1</td> </tr> <tr> <td data-bbox="320 544 1177 611">No creditable content</td> <td data-bbox="1177 544 1310 611">0</td> </tr> </tbody> </table> <p data-bbox="316 645 432 678"><b>Content</b></p> <ul data-bbox="373 680 1302 891" style="list-style-type: none"> <li>• One mark for other businesses/individuals</li> <li>• One mark for same/similar market; same/similar product</li> <li>• Other businesses (1) offering the same product or service (1)</li> <li>• Other similar businesses (1) that sell similar goods/services (1)</li> <li>• A rival person/organisation/company/firm (1) in the same or similar industry (1) trying to reach the same/similar target market (1)</li> </ul> <p data-bbox="316 891 384 925"><b>ARA</b></p>	Knowledge	Marks	A correct definition / to the same/ similar market	2	A partial, vague or unfocused definition / same or similar product	1	No creditable content	0	2
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No creditable content	0									

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1(a)(ii)	<p><b>Explain the term ‘dynamic pricing’ (line 4).</b></p> <p><b>Award one mark for each point of explanation:</b></p> <table border="1" data-bbox="320 349 1310 678"> <tr> <td data-bbox="320 349 395 450">C</td> <td data-bbox="395 349 1158 450">Example or some other way of showing good understanding</td> <td data-bbox="1158 349 1310 450">1 mark</td> </tr> <tr> <td data-bbox="320 450 395 551">B</td> <td data-bbox="395 450 1158 551">Understanding of dynamic (changes in response to market/demand/time of day etc)</td> <td data-bbox="1158 450 1310 551">1 mark</td> </tr> <tr> <td data-bbox="320 551 395 678">A</td> <td data-bbox="395 551 1158 678">Understanding of pricing (allow any understanding of a quantitative value) e.g. quantitative value/amount/figure charged/cost</td> <td data-bbox="1158 551 1310 678">1 mark</td> </tr> </table> <p><b>Content</b> Varying what the customer pays (1) for a product or service to reflect changing market conditions (1) such as higher prices at peak times (1) to maximise revenue (1) e.g. often used on apps or websites (1)</p> <p>Allows firms to set prices according to demand. Businesses adjust prices on apps or websites. Flexible pricing in real-time.</p> <table border="1" data-bbox="320 981 1310 1671"> <thead> <tr> <th data-bbox="320 981 778 1048">Exemplar</th> <th data-bbox="778 981 890 1048">Mark</th> <th data-bbox="890 981 1310 1048">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1048 778 1182">What the customer pays varies due to changing demand factors e.g. monitored on websites</td> <td data-bbox="778 1048 890 1182">3</td> <td data-bbox="890 1048 1310 1182">A, B and C – websites shows HOW the price can change constantly</td> </tr> <tr> <td data-bbox="320 1182 778 1283">What the customer pays varies due to changing demand factors</td> <td data-bbox="778 1182 890 1283">2</td> <td data-bbox="890 1182 1310 1283">A and B mark – explanation of why prices change</td> </tr> <tr> <td data-bbox="320 1283 778 1384">Pricing which changes due to factors such as demand</td> <td data-bbox="778 1283 890 1384">1</td> <td data-bbox="890 1283 1310 1384">B mark – flexible pricing</td> </tr> <tr> <td data-bbox="320 1384 778 1440">Price varies CONSTANTLY</td> <td data-bbox="778 1384 890 1440">1</td> <td data-bbox="890 1384 1310 1440">B mark – flexible pricing</td> </tr> <tr> <td data-bbox="320 1440 778 1541">Pricing that changes/differs from time to time</td> <td data-bbox="778 1440 890 1541">1</td> <td data-bbox="890 1440 1310 1541">No A mark – B mark only</td> </tr> <tr> <td data-bbox="320 1541 778 1608">Changes due to distance</td> <td data-bbox="778 1541 890 1608">1</td> <td data-bbox="890 1541 1310 1608"></td> </tr> <tr> <td data-bbox="320 1608 778 1671">Pricing that changes</td> <td data-bbox="778 1608 890 1671">0</td> <td data-bbox="890 1608 1310 1671">Too vague</td> </tr> </tbody> </table> <p><b>ARA</b></p>	C	Example or some other way of showing good understanding	1 mark	B	Understanding of dynamic (changes in response to market/demand/time of day etc)	1 mark	A	Understanding of pricing (allow any understanding of a quantitative value) e.g. quantitative value/amount/figure charged/cost	1 mark	Exemplar	Mark	Rationale	What the customer pays varies due to changing demand factors e.g. monitored on websites	3	A, B and C – websites shows HOW the price can change constantly	What the customer pays varies due to changing demand factors	2	A and B mark – explanation of why prices change	Pricing which changes due to factors such as demand	1	B mark – flexible pricing	Price varies CONSTANTLY	1	B mark – flexible pricing	Pricing that changes/differs from time to time	1	No A mark – B mark only	Changes due to distance	1		Pricing that changes	0	Too vague	3
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1(b)(i)	<p data-bbox="316 248 1070 282"><b>Explain <u>one</u> way Ray could increase his profit margin.</b></p> <table border="1" data-bbox="331 315 1302 707"> <thead> <tr> <th data-bbox="336 322 539 378">Level</th> <th data-bbox="539 322 1166 378">Knowledge and Application</th> <th data-bbox="1166 322 1297 378">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="336 378 539 479">2 (APP+APP)</td> <td data-bbox="539 378 1166 479">Explanation of a factor which would increase the profit margin in context</td> <td data-bbox="1166 378 1297 479">3</td> </tr> <tr> <td data-bbox="336 479 539 580">2a (APP)</td> <td data-bbox="539 479 1166 580">Explanation of a factor which would increase profit in context</td> <td data-bbox="1166 479 1297 580">2</td> </tr> <tr> <td data-bbox="336 580 539 636">1a (K)</td> <td data-bbox="539 580 1166 636">Identification of a factor affecting profit</td> <td data-bbox="1166 580 1297 636">1</td> </tr> <tr> <td data-bbox="336 636 539 707">0</td> <td data-bbox="539 636 1166 707">No creditable content</td> <td data-bbox="1166 636 1297 707">0</td> </tr> </tbody> </table> <p data-bbox="316 741 432 775"><b>Content</b></p> <p data-bbox="316 775 1262 808">Increase number of journeys without a change in taxi maintenance costs</p> <p data-bbox="316 808 1246 875">Reduce costs without change in number of journeys/price eg buying an electric car</p> <p data-bbox="316 875 991 909">Negotiate a higher (than 80%) return from Summus</p> <p data-bbox="316 909 1062 943">Work longer hours as Summus fixed costs do not change</p> <p data-bbox="316 976 384 1010"><b>ARA</b></p> <table border="1" data-bbox="320 1043 1310 1503"> <thead> <tr> <th data-bbox="325 1050 778 1106">Exemplar</th> <th data-bbox="778 1050 890 1106">Mark</th> <th data-bbox="890 1050 1305 1106">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="325 1106 778 1240">Increases number of taxi journeys which reduce fixed costs per journey</td> <td data-bbox="778 1106 890 1240">3</td> <td data-bbox="890 1106 1305 1240">Explanation of a factor in context</td> </tr> <tr> <td data-bbox="325 1240 778 1341">Increases number of taxi journeys</td> <td data-bbox="778 1240 890 1341">2</td> <td data-bbox="890 1240 1305 1341">Explanation of a factor not in context</td> </tr> <tr> <td data-bbox="325 1341 778 1408">Increase the prices</td> <td data-bbox="778 1341 890 1408">1</td> <td data-bbox="890 1341 1305 1408">Affects profit margin</td> </tr> <tr> <td data-bbox="325 1408 778 1503">Decrease prices to increase revenue and profit</td> <td data-bbox="778 1408 890 1503">1</td> <td data-bbox="890 1408 1305 1503">Profit, not profit margin</td> </tr> </tbody> </table>	Level	Knowledge and Application	Marks	2 (APP+APP)	Explanation of a factor which would increase the profit margin in context	3	2a (APP)	Explanation of a factor which would increase profit in context	2	1a (K)	Identification of a factor affecting profit	1	0	No creditable content	0	Exemplar	Mark	Rationale	Increases number of taxi journeys which reduce fixed costs per journey	3	Explanation of a factor in context	Increases number of taxi journeys	2	Explanation of a factor not in context	Increase the prices	1	Affects profit margin	Decrease prices to increase revenue and profit	1	Profit, not profit margin	3
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1(b)(ii)	<p data-bbox="316 248 1313 315"><b>Refer to Table 1.1. Calculate Ray’s forecast average daily revenue if he joins Summus.</b></p> <table border="1" data-bbox="320 349 1308 674"> <thead> <tr> <th data-bbox="320 349 1177 414">Rationale</th> <th data-bbox="1177 349 1308 414">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 414 1177 479">Correct answer with or without correct working or \$</td> <td data-bbox="1177 414 1308 479">3</td> </tr> <tr> <td data-bbox="320 479 1177 544">Attempt with correct figures</td> <td data-bbox="1177 479 1308 544">2</td> </tr> <tr> <td data-bbox="320 544 1177 609">Formula/attempt to calculate</td> <td data-bbox="1177 544 1308 609">1</td> </tr> <tr> <td data-bbox="320 609 1177 674">No creditable content</td> <td data-bbox="1177 609 1308 674">0</td> </tr> </tbody> </table> <p data-bbox="316 707 432 741"><b>Content</b></p> <p data-bbox="316 741 740 779">Revenue = (P × Q) (1)</p> <p data-bbox="316 808 740 846">= (\$15 × 16 journeys) = 240 (2)</p> <p data-bbox="316 846 740 884">= \$240 × 80% = 192 (3)</p> <p data-bbox="316 913 453 952">= \$192 (3)</p>	Rationale	Marks	Correct answer with or without correct working or \$	3	Attempt with correct figures	2	Formula/attempt to calculate	1	No creditable content	0	3
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No creditable content	0											



Question	Answer				Marks
1(c)	<b>Analyse <u>two</u> pricing methods, other than dynamic pricing, Summus could use to price taxi fares.</b>				<b>8</b>
	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Analysis (4 marks)</b>	<b>Marks</b>	
2b	Shows understanding of two methods of pricing in context	4	Developed analysis of two methods of pricing in context	4	
2a	Shows understanding of one method of pricing in context	3	Developed analysis of one method of pricing in context	3	
1b	Shows knowledge of two methods of pricing	2	Limited analysis of two methods of pricing	2	
1a	Shows knowledge of one method of pricing	1	Limited analysis of one method of pricing	1	
0	No creditable content				
<b>Content</b>					
Any two pricing methods such as competitive, penetration, skimming. Context could come from competitive market, new service in city L.					
Note:					
<ul style="list-style-type: none"> <li>• Do not reward dynamic as in the case study.</li> <li>• Be careful to distinguish between pricing methods for customers and payment methods for drivers</li> </ul>					
<b>Identification of pricing method (K -1)</b>	<b>Understanding in context (APP)</b>	<b>Limited analysis (AN)</b>	<b>Developed analysis in context (Dev)</b>		
Competitive	As increasing competition (in city L)	Which would mean the USP may make them more popular	Which would lead to an increase in demand/revenue		
Penetration	to increase brand awareness for taxi's (in city L)	Which would lead to an increase of customers in the short term	And hopefully long term customer loyalty		
<b>ARA</b>					

Question	Answer						Marks	
1(d)	<b>Recommend whether Ray should join Summus. Justify your recommendation.</b>						<b>11</b>	
<b>Knowledge and Application (4 marks)</b>		<b>Marks</b>	<b>Annotation</b>	<b>Analysis and Evaluation (7 marks)</b>		<b>Marks</b>		<b>Annotation</b>
				A justified recommendation based on developed arguments		7		EVAL + EVAL + EVAL
				A developed recommendation based on developed arguments		6		EVAL + EVAL
				A basic recommendation/evaluation based on developed arguments		5		EVAL
Shows understanding of two elements of decision making in context		3–4	APP + APP	Two arguments based on two elements of decision making in context		4		DEV + DEV
Shows understanding of one element of decision making in context			APP	One argument based on one element of decision making in context		3	DEV	

Question	Answer					Marks	
1(d)	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Annotation</b>	<b>Analysis and Evaluation (7 marks)</b>	<b>Marks</b>	<b>Annotation</b>	
							Shows knowledge of decision making
			K	Limited analysis of one element of decision making	1	AN	
		No creditable content					
<p><b>Content</b></p> <p><b>Knowledge and understanding</b></p> <ul style="list-style-type: none"> <li>Factors affecting knowledge of decision making for a business</li> </ul> <p><b>Application</b></p> <ul style="list-style-type: none"> <li>Ray's demand has fallen</li> <li>Increasing competitors</li> <li>No other taxi drivers employed by Summus in city L</li> <li>App uses dynamic pricing</li> <li>Ray gets 80% / Sumus gets 20%</li> <li>Data from Table 1.1 and 1.2</li> <li>Passengers like Summus app</li> <li>Taxi drivers like Summus App</li> <li>Signs of too many taxi drivers</li> <li>Drivers not employed</li> <li>Drivers not guaranteed revenue</li> <li>Longer customer waiting times when fares are low</li> </ul> <p><b>Analysis</b></p> <ul style="list-style-type: none"> <li>Analysis of reasons for and against Ray joining Summus</li> </ul> <p><b>Evaluation</b></p> <ul style="list-style-type: none"> <li>A recommendation for Ray based on arguments in context as to whether he should or should not join Summus</li> <li>A judgement over which argument is most important</li> <li>An evaluation of the level of argument</li> <li>What the judgement/evaluation might depend upon.</li> </ul>							

Question	Answer				Marks
K	APP	AN	DEV	EVAL	
More customers	As booked through app	Higher revenue	Although dynamic pricing may reduce Ray's overall income if not a peak time	Ray should join Summus	
High total costs	As \$42 per day + 20%	Which reduces Rays gross profit	Which may be less than earnings as a sole trader	as customers like convenience and creating his own app would be expensive,  however it depends on whether he is willing to work only at peak times and the revenue from Summus is likely to be above his sole trader revenue	

Question	Answer	Marks																							
2(a)(i)	<p data-bbox="316 248 895 282"><b>Define the term ‘margin of safety’ (line 4).</b></p> <table border="1" data-bbox="320 315 1310 577"> <thead> <tr> <th data-bbox="320 315 1174 378">Knowledge</th> <th data-bbox="1174 315 1310 378">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 378 1174 443">A correct definition</td> <td data-bbox="1174 378 1310 443">2</td> </tr> <tr> <td data-bbox="320 443 1174 508">A partial, vague or unfocused definition</td> <td data-bbox="1174 443 1310 508">1</td> </tr> <tr> <td data-bbox="320 508 1174 573">No creditable content</td> <td data-bbox="1174 508 1310 573">0</td> </tr> </tbody> </table> <p data-bbox="316 611 432 645"><b>Content</b></p> <p data-bbox="316 645 568 678">A link to breakeven</p> <p data-bbox="316 678 1182 712">Knowledge of the difference between breakeven and actual output</p> <p data-bbox="316 745 1262 813">The difference between the break-even level of output (1) and the actual level of output. (1)</p> <p data-bbox="316 846 384 880"><b>ARA</b></p> <table border="1" data-bbox="320 880 1310 1305"> <thead> <tr> <th data-bbox="320 880 778 945">Exemplar</th> <th data-bbox="778 880 890 945">Mark</th> <th data-bbox="890 880 1310 945">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 945 778 1043">The difference between the BE and actual level of output</td> <td data-bbox="778 945 890 1043">2</td> <td data-bbox="890 945 1310 1043">Clear understanding</td> </tr> <tr> <td data-bbox="320 1043 778 1108">The output over breakeven</td> <td data-bbox="778 1043 890 1108">2</td> <td data-bbox="890 1043 1310 1108">Correct answer</td> </tr> <tr> <td data-bbox="320 1108 778 1207">The revenue over the breakeven point</td> <td data-bbox="778 1108 890 1207">1</td> <td data-bbox="890 1108 1310 1207">Understanding of difference</td> </tr> <tr> <td data-bbox="320 1207 778 1305">Anything explaining JUST breakeven</td> <td data-bbox="778 1207 890 1305">1</td> <td data-bbox="890 1207 1310 1305">Partial definition</td> </tr> </tbody> </table> <p data-bbox="316 1305 1110 1339">Be careful not to award <i>revenue</i> for breakeven as it is <i>output</i></p>	Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Mark	Rationale	The difference between the BE and actual level of output	2	Clear understanding	The output over breakeven	2	Correct answer	The revenue over the breakeven point	1	Understanding of difference	Anything explaining JUST breakeven	1	Partial definition	2
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2(a)(ii)	<p><b>Explain the term ‘co-operative’ (line 1)</b></p> <p>Award one mark for each point of explanation:</p> <table border="1" data-bbox="320 349 1310 712"> <thead> <tr> <th></th> <th></th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td><b>C</b></td> <td>Example or some other way of showing good understanding e.g. share the profits between members or provides a job for members</td> <td>3</td> </tr> <tr> <td><b>B</b></td> <td>Members could be employees, customers or local residents/community</td> <td>2</td> </tr> <tr> <td><b>A</b></td> <td>Businesses owned and run for and by their members</td> <td>1</td> </tr> </tbody> </table> <p>C marks dependent on A and B mark being present</p> <p><b>Content</b> Businesses owned and run for and by their members. Members could be employees, customers or local residents/community. Members have an equal say in business decisions and share the profits.</p> <p>NOTE – be careful not to award marks for a description of a partnership</p> <p><b>ARA</b></p> <table border="1" data-bbox="320 1081 1310 1637"> <thead> <tr> <th>Exemplar</th> <th>Mark</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>A business owned and run by members who share total profits</td> <td>3</td> <td>All three elements</td> </tr> <tr> <td>A business owned and run by members such as employees</td> <td>2</td> <td>No expansion</td> </tr> <tr> <td>Owned and run by employees</td> <td>1</td> <td>No understanding of being a member</td> </tr> <tr> <td>Owned and run by members</td> <td>1</td> <td>No understanding of who members are</td> </tr> <tr> <td>Several people come together to create a business</td> <td>0</td> <td>No ownership or decision making</td> </tr> </tbody> </table>			Marks	<b>C</b>	Example or some other way of showing good understanding e.g. share the profits between members or provides a job for members	3	<b>B</b>	Members could be employees, customers or local residents/community	2	<b>A</b>	Businesses owned and run for and by their members	1	Exemplar	Mark	Rationale	A business owned and run by members who share total profits	3	All three elements	A business owned and run by members such as employees	2	No expansion	Owned and run by employees	1	No understanding of being a member	Owned and run by members	1	No understanding of who members are	Several people come together to create a business	0	No ownership or decision making	3
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2(b)(i)	<p><b>Refer to Table 2.1. Calculate the price that JTG should charge per ticket in order to break even at 200 ticket sales.</b></p> <table border="1" data-bbox="320 349 1310 674"> <thead> <tr> <th data-bbox="320 349 1177 414">Rationale</th> <th data-bbox="1177 349 1310 414">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 414 1177 479">Correct answer, with or without working and \$ sign</td> <td data-bbox="1177 414 1310 479">3</td> </tr> <tr> <td data-bbox="320 479 1177 544">Attempt to calculate with correct figures</td> <td data-bbox="1177 479 1310 544">2</td> </tr> <tr> <td data-bbox="320 544 1177 609">Formula/attempt to calculate</td> <td data-bbox="1177 544 1310 609">1</td> </tr> <tr> <td data-bbox="320 609 1177 674">No creditable content</td> <td data-bbox="1177 609 1310 674">0</td> </tr> </tbody> </table> <table border="1" data-bbox="320 707 1310 1111"> <thead> <tr> <th data-bbox="320 707 815 757">Content</th> <th data-bbox="815 707 1310 757">Content</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 757 815 860">           Fixed costs = \$900            Variable costs = \$2 per ticket            BE = 200 tickets         </td> <td data-bbox="815 757 1310 860">           Fixed costs = \$900            Variable costs = \$2 per ticket            BE = 200 tickets         </td> </tr> <tr> <td data-bbox="320 860 815 940"> <math>BE = FC / (P - VC)</math> (1)         </td> <td data-bbox="815 860 1310 940">           Total costs @ breakeven level = \$1300 (1)         </td> </tr> <tr> <td data-bbox="320 940 815 992"> <math>200 = 900 / (P - 2)</math> </td> <td data-bbox="815 940 1310 992"> <math>1300/200</math> (2)         </td> </tr> <tr> <td data-bbox="320 992 815 1025"> <math>P - 2 = 900/200</math> </td> <td data-bbox="815 992 1310 1025"> <math>PPT = (\\$) 6.50</math> (3)         </td> </tr> <tr> <td data-bbox="320 1025 815 1059"> <math>P - 2 = 4.50</math> (2) (if working present)         </td> <td></td> </tr> <tr> <td data-bbox="320 1059 815 1111">           Price per ticket = \$6.50 (3)         </td> <td></td> </tr> </tbody> </table>	Rationale	Marks	Correct answer, with or without working and \$ sign	3	Attempt to calculate with correct figures	2	Formula/attempt to calculate	1	No creditable content	0	Content	Content	Fixed costs = \$900 Variable costs = \$2 per ticket BE = 200 tickets	Fixed costs = \$900 Variable costs = \$2 per ticket BE = 200 tickets	$BE = FC / (P - VC)$ (1)	Total costs @ breakeven level = \$1300 (1)	$200 = 900 / (P - 2)$	$1300/200$ (2)	$P - 2 = 900/200$	$PPT = (\$) 6.50$ (3)	$P - 2 = 4.50$ (2) (if working present)		Price per ticket = \$6.50 (3)		3
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Question	Answer		Marks
2(b)(ii)	<b>Explain <u>one</u> advantage to JTG of using break-even analysis.</b>		<b>3</b>
	<b>Level</b>	<b>Knowledge and Application</b>	<b>Marks</b>
	2a (App)	Explanation of one advantage of using break even analysis <b>in context</b>	3
	1b (K+K)	Explanation of one advantage of using break even analysis	2
	1a (K)	Identifies one advantage of using break even analysis	1
	0	No creditable content	0
	<p>Useful for pricing tickets. Can carry out 'what if' analysis e.g. what if JTC cannot sell 200 tickets in advance? OFR</p>		
	<b>ARA</b>		
	<b>Exemplar</b>	<b>Mark</b>	<b>Rationale</b>
	Can help in making pricing decisions to ensure a profit is made for the single theatre performance	<b>3</b>	1 advantage explained in context
	Identify how many tickets should be sold to reach the amount they need to breakeven	<b>3</b>	1 advantage explained in context
	Can help in making pricing decisions to ensure a profit is made	<b>2</b>	1 advantage explained
	Can help in making pricing decisions	1	One advantage id'd
	Less waste as can identify the BE point	0	You need excess to make profit



Question	Answer				Marks
2(c)	<b>Analyse <u>two</u> elements of the marketing mix which would be useful to JTG in marketing its play.</b>				<b>8</b>
	<b>Level</b>	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Analysis (4 marks)</b>	<b>Marks</b>
	2b	Shows understanding of two elements of the marketing mix in context	4	Developed analysis of two elements of the marketing mix in context	4
	2a	Shows understanding of one element of the marketing mix in context	3	Developed analysis of one element of the marketing mix in context	3
	1b	Shows knowledge of two elements of the marketing mix	2	Limited analysis of two elements of the marketing mix	2
	1a	Shows knowledge of one element of the marketing mix	1	Limited analysis of one element of the marketing mix	1
	0	No creditable content			
	<b>Content</b>				
	Place – Is the theatre in a good location		Consumer wants and needs		
	Price – Break-even price could be used from 2bi		Cost to consumer		
	Promotion – Cost, probably a limited budget		Convenience to consumer		
	Product – is the play suitable for the audience		Communication to consumer		
	<b>ARA</b>				

Question	Answer				Marks
2(c)	<b>Identification of marketing mix (K)</b>	<b>Understanding in context (APP)</b>	<b>Limited analysis (AN)</b>	<b>Developed analysis in context (Dev)</b>	
	Price	Breakeven price – \$6.50 (or OFR)	Useful to attract customers	Which increases revenue	
	Place (distribution channel)	Sales on the internet Buying on the night	Allows convenience for customer in ticket purchasing	Which would increase ticket sales	
	Product	Is in a 300 seat theatre Anything to do with plays/ performances/1 night only	Increases customer satisfaction	Which gets/spreads brand awareness	
	Promotion	Co-operative/ any promotion method related to theatre	Which boosts customer awareness	Which leads to an increase in demand	

Question	Answer						Marks
2(d)	<b>Evaluate whether JTG should perform only in city M.</b>						<b>11</b>
	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Annotation</b>	<b>Analysis and Evaluation (7 marks)</b>	<b>Marks</b>	<b>Annotation</b>	
				A justified judgement/evaluation based on arguments	7	EVAL + EVAL + EVAL	
				A developed judgement/evaluation based on developed arguments	6	EVAL	
				A basic judgement/evaluation based on developed arguments	5	EVAL	
	Shows understanding of two factors affecting location in context	4	APP + APP	Argument based on two factors affecting location in context	4	DEV + DEV	
	Shows understanding of one factor affecting location in context	3	APP	Argument based on one factor affecting location in context	3	DEV	
	Shows knowledge of two factors affecting location	2	K + K	Limited analysis of two factors affecting location	2	AN + AN	

Question	Answer					Marks		
2(d)	<b>Knowledge and Application (4 marks)</b>		<b>Marks</b>	<b>Annotation</b>	<b>Analysis and Evaluation (7 marks)</b>		<b>Marks</b>	<b>Annotation</b>
	Shows knowledge of one factor affecting location		1	K	Limited analysis of one factor affecting location		1	AN
			No creditable content					
<p><b>Content Arguments</b>  Lower costs e.g. marketing and transport, so higher profits  Able to build up / engage with a loyal local audience  Finance sources such as crowdfunding  Build a reputation</p> <p><b>Disadvantages</b>  Smaller market – wider audiences if tour  Would not be eligible for a touring grant from the government – cheap source of finance  Need to put on new plays regularly  Might be more profitable venues / bigger audiences in other towns</p>								

K	APP	AN	DEV	EVAL
Smaller market (disad)	People will usually only see a play once	Which leads to decreased long term revenues	And lower profit share for coop members	JTG should stay in city M as it allows actors to become confident in their lines and improve,
Lower costs (adv)	No transportation of sets and costumes	However gvmt grants are available	Which increases profits for JTG	however it depends on whether city M is a popular destination for theatre goers so there is a constant supplier of new customers