

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

GCE Advanced Subsidiary and Advanced Level

MARK SCHEME for the November 2004 question papers

9707 BUSINESS STUDIES

9707/01

Paper 1 (Short Answer/Essay), maximum raw mark 40

These mark schemes are published as an aid to teachers and students, to indicate the requirements of the examination. They show the basis on which Examiners were initially instructed to award marks. They do not indicate the details of the discussions that took place at an Examiners' meeting before marking began. Any substantial changes to the mark scheme that arose from these discussions will be recorded in the published *Report on the Examination*.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes must be read in conjunction with the question papers and the *Report on the Examination*.

- CIE will not enter into discussion or correspondence in connection with these mark schemes.

CIE is publishing the mark schemes for the November 2004 question papers for most IGCSE and GCE Advanced Level syllabuses.

Grade thresholds taken for Syllabus 9707/01 (Business Studies) in the November 2004 examination.

	maximum mark available	minimum mark required for grade:		
		A	B	E
Component 1	40	33	30	22

The thresholds (minimum marks) for Grades C and D are normally set by dividing the mark range between the B and the E thresholds into three. For example, if the difference between the B and the E threshold is 24 marks, the C threshold is set 8 marks below the B threshold and the D threshold is set another 8 marks down. If dividing the interval by three results in a fraction of a mark, then the threshold is normally rounded down.

November 2004

GCE AS AND A LEVEL

MARK SCHEME

MAXIMUM MARK: 40

SYLLABUS/COMPONENT: 9707/01

BUSINESS STUDIES
Paper 1 (Short Answer/Essay)

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Question 1

- (a) Partial understanding of the term.
Full understanding of free market economy. [2]
- (b) One example given. [1]
Two examples given. [2]
Three examples given. [3]

Question 2

- Limited understanding of importance/appropriate definition. [1]
Good understanding of some aspects of the importance. [2-3]
Full explanation of the role of working capital. [4-5]

Question 3

- (a) One method given. [1]
Two relevant methods given. [2]
- (b) Vague awareness of the difference or reasonable definition of one term. [1]
Partially complete answer. [2]
Essentially full answer [3]

Question 4

- (a) Partial definition of the term. [1]
Full explanation of work study. [2]
- (b) Superficial knowledge only shown. [1]
Some knowledge of improving productivity using work study [2]
Full explanation of the question. [3]

Question 5

- (a) Answers should focus on importance of good communication in achieving a business's objectives; communication both up and down; avoiding misunderstanding in implementing commands and change; allowing employees a forum for putting ideas forward, meeting motivation needs: Hawthorn effect, Maslow needs, Herzberg motivator, McGregor Theory Y approach.

Knowledge and Application	Analysis and Evaluation
Level Two: Discuss different factors in some detail. 3-4 marks	Level Two: In-depth understanding of importance in both getting instructions implemented and unlocking potential of workforce. 5-8 marks
Level One: Outlines one or two different aspects but without real discussion. 1-2 marks	Level One: Some analysis of benefits of good communication. 1-4 marks

- (b) Answers should include reference to barriers such as noise, perceptions, attitudes, inappropriate media etc. and means of overcoming them, such as types of communication, awareness of problems and a flexible approach.

Knowledge and Application	Analysis and Evaluation
Level Two: Shows good awareness of barriers. 3-4 marks	
Level One: Shows some awareness of how barriers arise. 1-2 marks	Level One: Presents appropriate means of overcoming these barriers. 1-4 marks

Question 6

Answers should include effects on different aspects of the business. Operations: improved productivity through technology, CAD/CAM, robotics etc., with JIT facilitated through IT links and EPOS. Impact on HRM with motivation problems and loss of traditional skills + training. Marketing effects such as Internet selling, Mail Order using electronic payment, as well as new markets for electronic products with need for R&D and shorter life cycles. Finance implications of all these. Could focus on different effects on manufacturer or service company.

Knowledge and Application	Analysis and Evaluation
Level Two: Answer demonstrates good understanding of the factors involved in a technological change. 5-8 marks	Level Two: Good appreciation of the benefits and threats of technology across the spectrum of business. 9-12 marks
Level One: Some awareness of the basic factors in technological change. 1-4 marks	Level One: Awareness of the effects on working practice and management. 1-8 marks

Question 7

- (a) Answers should include the influence of costs, competition, demand, market conditions and business objectives. Strategies could include penetration or skimming strategies, competition-based pricing and price discrimination.

Knowledge and Application	Analysis and Evaluation
Level Two: Outlines factors with some attempt to discuss when they might be used. 3-4 marks	
Level One: Outlines one or two factors but without real discussion. 1-2 marks	Level One: Attempts to analyse factors affecting the choice of pricing methods. 1-4 marks

- (b) Answers should relate pricing strategies to the other "Ps" in the Marketing Mix e.g.: Low pricing may debase image of product; high pricing may denote exclusivity; low pricing may mean production strategies may have to be limited, and high pricing may restrict placement options.

Knowledge and Application	Analysis and Evaluation
Level Two: Answer shows good knowledge of marketing Mix and link with pricing. 3-4 marks	Level Two: Good correlation between pricing and other elements of Mix. 5-8 marks
Level One: Some knowledge of Marketing Mix. 1-2 marks	Level One: Analysis of the way in which pricing policy is linked to the other "Ps". 1-4 marks

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Indicative Guidelines

To be used with the Mark Scheme for Essay marking

Marks

- 1-4 If the answer is largely irrelevant, but contains a few valid points.
- 5-7 If the answer possesses relevant material but is simple in expression and its grasp of the issues involved.
- 8-9 If the answer seems to be the minimum acceptable for 'A' Level work i.e. it covers the basic textbook material (1) that seems to have been mastered by many of the candidates and (2) that is presented in a routine, unimaginative and sometimes unnecessarily long-winded fashion; it also shows no awareness of the more subtle issues raised by the question.
- 10-11 If the answer seems a basic pass with a little to spare (a few examples, facts etc.) and with an attempt at analysis.
- 12-13 If the answer strikes you as undoubtedly a pass, with something to spare (one or two passages with some insight displayed, some well worked examples, better than usual organisation and presentation of reasonable material).
- 14-16 If the answer is undoubtedly above average, eliciting the instinctive reaction 'good' i.e. it is beginning to stand out above the routine answer in terms of knowledge and understanding of facts and ideas; or it begins to display a genuine attempt to answer the question rather than regurgitate learned material, yet at the same time is clearly capable of improvement at this level.
- 17-19 If the answer is clearly very good, with clarity and economy of expression, use of good material to answer the question (the precise wording of which should be in no doubt from the reading of the answer alone!), sensible and often original exemplification – in other words showing a true insight.
- 20 If the answer immediately strikes you as ranking among the very best you have read at this level, and fulfils the criterion that (in your judgement) it is not capable of improvement by a student of 18 years, who will have to conceive and write the answer in an examination room in 30 minutes.