

**GCSE**

**Business Studies**

Unit **A292**: Business and People

General Certificate of Secondary Education

**Mark Scheme for June 2016**

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, Cambridge Nationals, Cambridge Technicals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.














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 should be read in conjunction with the published question papers and the report on the examination.

OCR will not enter into any discussion or correspondence in connection with this mark scheme.

© OCR 2016

## 1. Annotations used in the detailed Mark Scheme.

Annotation	Meaning
	Unclear
	Cross
	Error carried forward
	Level 1
	Level 2
	Level 3
	Level 4
	Not answered question
	Repeat
	Tick
	Benefit of doubt
	Expansion of a point
	Own figure rule

**Note**

Every question and additional item must be annotated to show it has been considered.

**Crossed Out Responses**

Where a candidate has crossed out a response and provided a clear alternative then the crossed out response is not marked. Where no alternative response has been provided, examiners may give candidates the benefit of the doubt and mark the crossed out response where legible.

**Multiple Choice Question Responses**

When a multiple choice question has only a single, correct response and a candidate provides two responses (even if one of these responses is correct), then no mark should be awarded (as it is not possible to determine which was the first response selected by the candidate).

*When a question requires candidates to select more than one option/multiple options, then local marking arrangements need to ensure consistency of approach.*

**Contradictory Responses**

When a candidate provides contradictory responses, then no mark should be awarded, even if one of the answers is correct.

**Short Answer Questions** (requiring only a list by way of a response, usually worth only **one mark per response**)

Where candidates are required to provide a set number of short answer responses then only the set number of responses should be marked. The response space should be marked from left to right on each line and then line by line until the required number of responses have been considered. The remaining responses should not then be marked. Examiners will have to apply judgement as to whether a 'second response' on a line is a development of the 'first response', rather than a separate, discrete response. *(The underlying assumption is that the candidate is attempting to hedge their bets and therefore getting undue benefit rather than engaging with the question and giving the most relevant/correct responses.)*

**Short Answer Questions** (requiring a more developed response, worth **two or more marks**)

If the candidates are required to provide a description of, say, three items or factors and four items or factors are provided, then mark on a similar basis – that is downwards (as it is unlikely in this situation that a candidate will provide more than one response in each section of the response space.)

**Longer Answer Questions** (requiring a developed response)

Where candidates have provided two (or more) responses to a medium or high tariff question which only required a single (developed) response and not crossed out the first response, then only the first response should be marked. Examiners will need to apply professional judgement as to whether the second (or a subsequent) response is a 'new start' or simply a poorly expressed continuation of the first response.

## MARK SCHEME

Question 1		Answer	Mark	Guidance
3.2.1.10	A (i)	Private Limited Company Allow 'Ltd' Do not allow 'Limited Company'	1	For one mark.
3.2.1.9	(ii)	<p><b>Indicative content Local businesses</b></p> <ul style="list-style-type: none"> <li>Local businesses may provide supplies in order for MFS to make its products</li> <li>Provides competition which makes local businesses more efficient</li> <li>Brings more customers to the area</li> <li>Local firms can buy office furniture</li> <li>Local firms can buy furniture from MFS and sell it for a profit</li> </ul> <p>Do NOT reward 'increase in competition' unless linked to greater efficiency or new ideas</p> <p><b>Public</b></p> <ul style="list-style-type: none"> <li>Public need products / services</li> <li>Public need jobs</li> <li>'Give back to community' also needs an example to get a mark – eg sponsorship</li> </ul> <p><b>Exemplar response</b></p> <p>Other businesses - MFS may require supplies from local businesses in order to make its products (1) The public - Some of the local public may be given jobs (1)</p>	2	Up to two marks  Two correct statements for both marks.
3.2.1.7	(iii)	<p><b>Indicative content</b></p> <p><u>Secondary sector</u> MFS <b>makes</b> office furniture</p> <p><u>Service sector</u> MFS <b>sells</b> furnished products to customers Allow 'provides a service'</p>	2	Up to two marks

Question 1		Answer	Mark	Guidance
3.2.1.4	B (i)	<p><b>Indicative content</b> Returning customers Better reputation Word of mouth recommendation Prompt with orders Polite staff Deal with any complaints quickly and efficiently</p> <p>Do not reward simply ' provide a good service' as is stated in the question</p> <p><b>Exemplar response</b> Good service may mean MFS is prompt with meeting orders (1) and his may lead to repeat buying (1)</p> <p>If MFS did not provide a good service then they would get bad publicity (1) which may lead to lower sales (1)</p>	2	<p>Up to two marks 1x2 For second mark must be explanation of why good service is important to MFS</p>
3.2.1.6	(ii)	<p><b>Indicative content</b></p> <ul style="list-style-type: none"> <li>• Previous objectives met</li> <li>• External influences have changed – increased competition, increasing/decreasing exchange rate, increasing unemployment</li> <li>• Internal influences – e.g., death of a major shareholder / Paul / Seeta</li> <li>• First aims may have been impossible to reach, so MFS have changed to more realistic aims</li> </ul> <p><b>Exemplar response</b> increasing unemployment may mean the objective for MFS is to survive (1) as there may be a drop in demand caused by the loss of jobs (1)</p> <p><b>Exemplar response</b> By 2016 the business has survived and we assume it is now making profit (1) therefore the objective now will be to expand (1)</p> <p><b>Exemplar response</b> Because MFS have grown as a business (1) they may have more customers and may want to start making a profit (1) as they are established and may want to take the business further.</p>	4	<p>Up to two marks</p> <p>Allow 1x2 or 2x1 or 1+1</p> <p>Note: the question asks <b>why</b> objectives have changed. So must make reference to reasons for change in aims, not simply list different objectives.</p>

Question 1			Answer	Mark	Guidance
3.2.2.6	c	(i)	<p><b>Indicative content</b>  Hours of work  Responsibilities / job roles  Holiday entitlement  Pay / salary / wage  Date signed  Allow 'job description'</p>	2	<p>Up to two marks 2x1  <b>Do not allow any</b> 'personal details' such as telephone number, email address</p>
3.2.2.3		(ii)	<p>1800x8 (1)  14400 (1)</p>	2	<p>Up to two marks  Both marks to be awarded if the correct answer is provided  £ sign not required for both marks</p>
3.2.2.3		(iii)	<p><b>Indicative content:</b></p> <ul style="list-style-type: none"> <li>worker motivation is higher</li> <li>productivity increases</li> <li>workers may rush to do more work</li> <li>quality may suffer.</li> </ul> <p><b>Advantages</b>  Workers produce more/work at a faster rate (1) thus more office chairs can be made thus more sales (1).  Rob will work harder (1) because the more chairs he makes the more he gets paid and the more profit the business will make (1).</p> <p><b>Disadvantages</b>  Workers may rush their work which can lead to poor quality (1) which may increase waste which add costs (1) and decrease profits (1).</p>	4	<p>One mark for correct identification of an advantage and one for the correct identification of a disadvantage. An explanation of each required for the additional two marks</p> <p>2x2</p> <p>Note: The advantages are <b>to MFS</b> not the individual</p> <p>Do <b>NOT</b> reward 'If Rob works hard MFS will have to pay out more in wages'</p>

Question 1			Answer	Mark	Guidance										
3.2.2.7		iv	<table border="1"> <thead> <tr> <th>Statement</th> <th>Tick (✓) TWO true statements</th> </tr> </thead> <tbody> <tr> <td>Will give advice to both management and the union in a dispute</td> <td>✓</td> </tr> <tr> <td>Will provide pay for workers on strike</td> <td></td> </tr> <tr> <td>Will provide a meeting place for discussions to take place</td> <td>✓</td> </tr> <tr> <td>Will research the views of individual union members</td> <td></td> </tr> </tbody> </table>	Statement	Tick (✓) TWO true statements	Will give advice to both management and the union in a dispute	✓	Will provide pay for workers on strike		Will provide a meeting place for discussions to take place	✓	Will research the views of individual union members		2	Up to two marks  2 x 1
Statement	Tick (✓) TWO true statements														
Will give advice to both management and the union in a dispute	✓														
Will provide pay for workers on strike															
Will provide a meeting place for discussions to take place	✓														
Will research the views of individual union members															
3.2.2.11	d	(i)	<p><b>Indicative content:</b></p> <p><u>Advantages</u> Less space needed for offices Employees may be more productive with fewer distractions at home / feel comfortable at home Fewer sick days</p> <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> <li>• not able to get hold of Sasha when they want</li> <li>• difficult to monitor Sasha's work and whether he is working as he's not in the office</li> <li>• may get distracted</li> </ul>	4	2x2  Note the question asks for advantages / disadvantages <b>to MFS</b> , NOT to the employee										



Question 1		Answer	Mark	Guidance
		<p><b>Exemplar response</b></p> <p><u>Advantages of home working to the business</u> If people work from home then less space is needed for offices (1) which may decrease costs (1).</p> <p><u>Disadvantages of homeworking to the business</u> May not be able to get hold of Sasha (1) to pass important information therefore not efficient (1). Working environment in the business is now less friendly (1) as less workers are there therefore people as less motivated and some may leave (1) <i>Allow</i> Cost of setting up at home (1) may be high to MFS (1)</p>		
3.2.2.12	(ii)	<p><b>Indicative content:</b></p> <ul style="list-style-type: none"> <li>• telephone</li> <li>• email</li> <li>• face-time</li> <li>• video conferencing</li> <li>• text</li> </ul>	1	<p>For one mark.</p> <p>Candidates response must relate to the '<b>quick</b>' aspect of the question therefore do not award 'letter'</p>
3.2.2.12	(iii)	<p><b>Indicative content:</b></p> <p>only receive the email if you are checking for emails – some people do not check their emails for a long time using a telephone only works if the other person has a phone on them using the phone means there is less chance of it being recorded</p> <p>Do NOT allow 'not understand language used'</p>	1	<p>For one mark.</p> <p>NOTE – check that the answer refers to the method of communication stated in the previous answer</p>

Question 1		Answer	Mark	Guidance
3.2.2.5	e	<p><b>Indicative content</b></p> <p><u>Award schemes</u>            May include gifts (1) which will motivate employees to work harder (1) Staff work harder (1) in order to gain the award (1)            Workers feel efforts are appreciated (1) which will motivate employees to work harder(1)</p> <p><u>Democratic leadership style</u>            Takes on board views of workers (1) so workers feel valued so work harder(1)            Workers feel involved in business (1) so work harder (1)</p> <p><b>Exemplar response</b>            Award schemes input competition into the workplace (1) and this will mean employees work harder (1).</p> <p>Employee of the month scheme could lead to more commitment (1) therefore workers are more effective/productive (1)</p> <p>There are many different leadership styles – if a leader is dictator (1) in style some employees will not work for him/her (1).            The participation encouraged by a democratic leader will make employees feel more involved (1) and so work harder (1)</p>	4	<p>2x2</p> <p>Do not award reference to bonus</p>

Question 2			Answer	Mark	Guidance
3.2.1.10	A	(i)	A public corporation is owned by the Government.	1	For one mark.
3.2.1.10		(ii)	<p><b>Indicative content</b></p> <p><u>Advantages of being a public corporation</u> Protected from competition Government funding Can't be taken over as shares are not traded on stock market</p> <p><u>Disadvantages of being a public corporation</u> Due to the lack of competition there is a tendency that public corporations are inefficient. Government-run therefore may lack funds for investment Decisions are made by government rather than shareholders, so may be restrictive / slow / bureaucratic Allocation of profit influenced by Government so profit may not be retained in business</p> <p><b>Exemplar response</b> Public corporations are protected from competition (1) whereas PLCs have competition from other Plcs therefore public corporations may have higher profits (1)</p> <p>Due to the lack of competition (1) there is a tendency that public corporations are inefficient whereas plcs have to be efficient to compete.</p>	4	<p><b>2x2</b></p> <p>One mark for knowledge One mark for analysis</p>

Question 2		Answer	Mark	Guidance
3.2.1.18	b	<p><b>Indicative content</b> Profits may be allocated to higher dividends Profits may be allocated to increased investment</p> <p><b>Exemplar response</b></p> <p>Allocation of profits now goes to the shareholders of TC (1) instead of the government (1)</p> <p>Allocation of profits now goes to the shareholders of TC (1) so the shareholders get dividends (1) and will be happier</p> <p>If profits are re-invested (1), shareholders may receive a lower dividend (1)</p>	2	<p>Up to two marks</p> <p>1x2</p>
3.2.1.3	c	<p><b>Indicative content</b></p> <p>Owners want to maximise profit Owners therefore want high prices</p> <p>Public may want low prices Public may want businesses to minimise waste / pollution</p> <p><b>Exemplar response</b> Owners want to maximise profits (L1) which may mean charging high prices (L1) whereas the public want lower prices and good quality (L2), which would reduce profits for the owners.</p>	4	<p><b>Level 2 (3–4 marks) Analysis</b> Analysis of how both a business's owners and the public may be in conflict. Conflict must be developed to obtain 4th mark</p> <p><b>Level 1 (1–2 marks) Knowledge</b> Knowledge of how either a business's owners or the public have a 'stake' in the stated business.</p>

Question 2		Answer	Mark	Guidance
3.2.2.8	d	<p><b>Indicative content</b> <u>Wide span of control</u></p> <p>Advantages</p> <ul style="list-style-type: none"> <li>• Staff are empowered to make their own decisions and to carry out their own tasks without interference by managers.</li> <li>• Less managers are required and wages are saved.</li> <li>• Less levels of communication for decisions to pass through.</li> </ul> <p>Disadvantages</p> <ul style="list-style-type: none"> <li>• Managers may make snap decisions as they are looking after too many employees.</li> <li>• Managers' time will be at a premium.</li> <li>• Managers will have less time for planning.</li> <li>• Subordinates may make decisions they are not trained to make.</li> </ul> <p><u>Narrow span of control</u></p> <p>Advantages</p> <ul style="list-style-type: none"> <li>• A narrow span of control allows the manager more time per subordinate supervised. This enables the manager to guide and supervise his subordinate more effectively.</li> <li>• The manager has more time available to perform more of important tasks personally, rather than delegate to subordinates. This can improve the quality of decision making.</li> </ul> <p>Disadvantages</p> <ul style="list-style-type: none"> <li>• More managers are needed to supervise the same number of people. This increases the manpower cost.</li> <li>• It tends to divide the organisation in smaller departments creating additional problems of coordination between departments.</li> </ul>	6	<p><b>Level 3 (5–6 marks) Analysis and evaluation</b> Reasoned judgement provided for sixth mark. Explanation of their chosen 'choice'. Correct reference to <b>both</b> chain of command <b>and</b> span of control required.</p> <p><b>Level 2 (3–4 marks) Application</b> Explanation of either an advantage or disadvantage of 'choice A or B' including reference to TC (this may be implied).</p> <p><b>Level 1 (1–2 marks) Knowledge</b> Basic knowledge of either chain of command or span of control</p>

Question 2	Answer	Mark	Guidance
	<ul style="list-style-type: none"> <li>• Smaller span of control also results in higher number of organizational levels, increasing the distance between the grass-root work and the top management. Thus top management may find it more difficult to be adequately aware of the operations and situation faced at lowest level of the organization.</li> <li>• Closer supervision by managers made possible by narrower span of management restricts ability of people to exercise initiative and affects their morale. This generally boils down to less motivated employees and low utilization of their potential.</li> </ul> <p><u>Long chain of command Advantages</u></p> <ul style="list-style-type: none"> <li>• it allows higher management to keep control over a large company. As the size of a firm increases, it becomes much harder for the firm's leader to exercise personal control over everything that happens in the business. Therefore, a chain of command is necessary.</li> <li>• It also makes sure that there is someone who is responsible for carrying out those orders at each level of the firm's hierarchy. This prevents chaos from occurring and allows the company to run relatively smoothly even though it is very large.</li> </ul> <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> <li>• The major disadvantage of a long chain of command is that the company becomes excessively bureaucratic and inflexible. If you have a long chain of command, people at each level might feel the need to "pass the buck" on most decisions instead of acting quickly on their own.</li> <li>• make it less flexible and less able to adapt to change.</li> </ul> <p><u>Short chain of command</u></p> <p>Advantages See disadvantages of long chain of command</p>		

Question 2	Answer	Mark	Guidance
	<p>Disadvantages See advantages of long chain of command</p> <p><b>Exemplar response – level 3</b></p> <ul style="list-style-type: none"> <li>• I would choose Option A. The reasons are that the wider span of control will involve fewer managers (L1) which will reduce costs for TL (L2) and help with employees being made responsible for their actions / decisions which will motivate them (L2) The shorter chain of command also means messages pass quickly up or down the chain.(L2) If you have a narrow span of control and a long chain of command staff would be more closely supervised, but the structure would become bureaucratic and inflexible (L3) . Overall the lower cost and greater responsibility make option A the best choice.(L3)</li> <li>•</li> </ul>		
3.2.2.1	<p><b>E</b></p> <p><b>Possible disadvantages of internal recruitment</b></p> <ul style="list-style-type: none"> <li>• Not many potential candidates thus this is decreasing choice of candidates</li> <li>• Likely lack of an injection of fresh ideas</li> <li>• External candidates may be better than existing employees.</li> </ul> <p><b>Possible advantages of internal recruitment:</b></p> <ul style="list-style-type: none"> <li>• Candidates know/have existing knowledge of business</li> <li>• Cheap as opposed to external recruitment</li> <li>• An ideal candidate may be in the business thus much cheaper to recruit from within</li> <li>• May lead to increase in internal motivation as workers see other workers being promoted from within</li> <li>• The recruitment process likely to take a shorter time as fewer applications are made.</li> </ul>	6	<p>SCORIS annotations: use L1, L2, and L3 where these have been awarded.</p> <p><b>Level 3 (5–6 marks) Analysis and evaluation</b> Reasoned judgement provided for sixth mark. – can be explicit or implied within the analysis At least one advantage and one disadvantage analysed</p> <p><b>Level 2 (3–4 marks) Application</b> Explanation of either an advantage or disadvantage including reference to TC /The Business / Marketing Director/ Senior Employee / Specialised Employee / Highly Skilled</p>

Question 2	Answer	Mark	Guidance
	<p><b>Exemplar response:</b> I think it is unwise to recruit only within the business as if you look outside you will have many potential external candidates and these will bring new and/or better ideas (L1) which is great for a Marketing Director position as he/she will need to be fresh and forward thinking (L2). However, it is recognised that it may be more expensive than internal recruitment as the business needs to place advertisements in the local press, and it takes much time to go through all the applications (L3). Therefore, on balance, I think TC should use the external method as a Marketing Director post is of high importance and crucial to increasing sales/profits of the business (L3).</p>		<p><b>Level 1 (1–2 marks) Knowledge</b> Stated advantage or disadvantage of internal recruitment.</p> <p>Disadvantages of internal recruitment may be expressed in terms of advantages of external recruitment.</p> <p>Conclusion maybe in favour of either external or internal or a combination of both.</p>
3.2.2.1/3.2.2.6	<p><b>F*</b></p> <p><b>Indicative content</b></p> <ul style="list-style-type: none"> <li>• Shortlist only male candidates is illegal</li> <li>• Shortlist only people below 45 is illegal</li> <li>• Good to have a literacy and numeracy test as the job is senior. Not a good idea to have only 50% completing the test activity. How do you know the other candidates are good at literacy and numeracy.</li> <li>• Good to do a presentation as it is the senior marketing position and they will need to constantly do presentations. Not a good idea to have only 50% completing the presentation activity. How do you know the other candidates are good at presenting.</li> </ul> <p><b>Exemplar response:</b></p> <p><u>Level 3</u> Tc should be aware that shortlisting only people below 45 is illegal. It is good to do a presentation as it is the senior marketing position and they will need to constantly do presentations. However it is not a good idea to have only 50% completing the presentation activity. How do you know the other candidates are good at presenting. Overall the</p>	6	<p>SCORIS annotations: use L1, L2, and L3 where these have been awarded.</p> <p><b>NOTE mark allocation on this question is L1=1 mark, L2=3 marks, L3=2 marks</b></p> <p><b>Level 3 (5–6 marks) Analysis and evaluation</b> Judgement is that the selection procedure is inappropriate. Reference to <b>illegality</b> must be made. Analysis of why <b>all</b> of first four elements of recruitment process (restricted age, restricted gender, only 50% take literacy test, only 50% give presentations) <b>are inappropriate</b> is required for L3 .</p> <p>Straightforward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors</p>



Question 2	Answer	Mark	Guidance
	<p>section procedure is poor, and if they did use it they may be fined and they are likely not to select the most appropriate candidate.</p> <p><b>Level 3</b> This selection procedure is illegal (L1) and not effective as you can't select someone for a job based on age and gender (L2), and the best person may be a 55 year old woman (L2). If you want applicants to sit tests and do a presentation then you need all of them to do them rather than 50% so that it is fair competition between all applicants (L3). They should also select the ne marketing director based on their individual skills and qualifications (L3) to see who is best suited to the job.</p>		<p>of spelling, punctuation and grammar but these are unlikely to be intrusive or obscure meaning.</p> <p><b>Level 2 (2-4 marks) Application</b> Explanation of at least <b>one</b> reason why process is inappropriate linked to TC (allow implicit reference – eg TC, applicants, Marketing Director, telecom business).</p> <p>Relatively straightforward ideas are expressed relatively clearly, legibly and appropriately. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive.</p> <p><b>Level 1 (1mark) – knowledge</b> Identifies one reason why process is inappropriate</p> <p>Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive.</p>

**OCR (Oxford Cambridge and RSA Examinations)**  
1 Hills Road  
Cambridge  
CB1 2EU

**OCR Customer Contact Centre**

**Education and Learning**

Telephone: 01223 553998

Facsimile: 01223 552627

Email: [general.qualifications@ocr.org.uk](mailto:general.qualifications@ocr.org.uk)

[www.ocr.org.uk](http://www.ocr.org.uk)

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

**Oxford Cambridge and RSA Examinations**  
is a Company Limited by Guarantee  
Registered in England  
Registered Office; 1 Hills Road, Cambridge, CB1 2EU  
Registered Company Number: 3484466  
OCR is an exempt Charity

**OCR (Oxford Cambridge and RSA Examinations)**  
Head office  
Telephone: 01223 552552  
Facsimile: 01223 552553

© OCR 2016

