

GCE

Business

Unit **H431/02**: The UK business environment

Advanced GCE

Mark Scheme for June 2017

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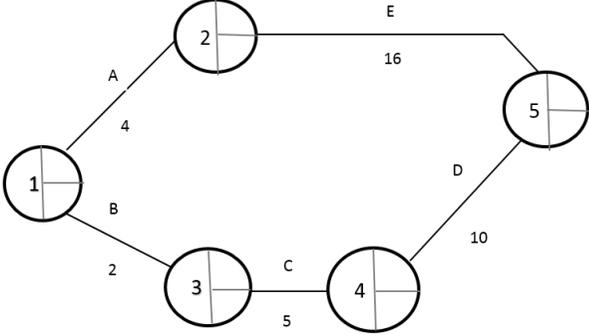
Annotations

BP	Blank page
	Tick
	Cross
NAQ	Not answered question
OFR	Own Figure Rule
BOD	Benefit of Doubt
REP	Repetition of an earlier point or copying of the case
SEEN	Noted but no credit given
TV	Too vague
	Unclear
K	Knowledge
APP	Application of knowledge and understanding
AN	Analysis
E	Evaluation
EE	Effective evaluation

Answer		Marks	Guidance
1	<p>Explain what is meant by the ‘third sector’.</p> <p>2 marks for a clear idea of what is meant by the third sector.</p> <p>In most cases:</p> <ul style="list-style-type: none"> • 1 mark can be awarded for reference to a ‘charity’ or ‘social enterprise/interest’ organisation or being run on a ‘voluntary’ basis • 1 mark for ‘not for profit’ or money/profit reinvested to improve the service provided 	<p>2 (AO1 2)</p>	<p><u>Exemplar responses:</u></p> <p>They are businesses which are motivated by the desire to achieve social goals (1) such as social problems or the environment (1)</p> <p>Any profit which is made (1) is reinvested to improve the charitable service provided (1).</p> <p>They are just a group of individuals with shared values (1)</p> <p>They are charities (1) - accept any other example for a second mark (e.g. faith groups, community groups, self-help groups, social enterprises, co-operatives.)</p> <p>Do NOT reward ‘provide a service’ without reference to an example to some form of charitable service</p> <p>Do NOT accept any reference to it being run (or not run) by the government</p> <p>Do NOT accept ‘it is not in the public or private sector’</p> <p style="text-align: right;">ARA</p>
2	<p>State two characteristics of a business with a tall (or vertical) organisational structure.</p> <p>1 mark for each correct characteristic of a tall structure up to a maximum of 2 marks.</p> <p>Make sure that the 2 characteristics are different</p>	<p>2 (AO1 2)</p>	<p>Indicative content:</p> <ul style="list-style-type: none"> • Small(er) or narrow span of control • More layers (of hierarchy) or long chain of command • Centralised/limited delegation • Slow/poor communication or slower decision-making • Less democratic or more autocratic leadership • Senior management may be remote from lower levels • More opportunities for promotion • Bureaucratic <p>Accept references to faster communication <u>within</u> a level</p> <p>Do NOT accept references to general characteristics of ANY organisational structure, e.g. delegation occurs, there are lots of</p>

Answer		Marks	Guidance
			(not many) managers, there is a hierarchy. ARA
3	<p>Outline two advantages to a business, such as The Body Shop, of operating as a franchisor.</p> <p>1 mark for each correct identification up to a maximum of 2 identifications, plus a further 1 mark for each of two developmental points.</p> <p>Make sure that the advantages are to the franchisor as opposed to the franchisee</p> <p>Make sure the answer is an advantage rather than just a statement about how the relationship between franchisor and franchisee operates</p>	<p>4 (AO1 2) (AO2 2)</p>	<p>Advantages include:</p> <ul style="list-style-type: none"> • The franchisor does not need lots of money to expand (1) - as the franchisee pays a fee (1) to take on a particular franchise • The franchisor earns a regular income (1) – as the franchisee will make a regular royalty payment (1) • The products are under the franchisor’s control (1) - so it is able to retain its brand identity/pricing policy etc. (1) • Less day-to-day (tactical) work for the franchisor (1) – as the franchisee is responsible for that (1) • The franchisor can focus on strategic issues (1) – as the franchisee does the day-to-day work (tactical) work (1) • New ideas (1) from more people- franchisees are often entrepreneurs or small businesses with lots of ideas about how to expand (1) • Gain local knowledge (1) - franchisees are often local businesses with knowledge of the local market (1) • No employee-related problems (1) - as the franchisee is the employer and so must deal with administration of staff (1) • Easier/faster to expand (1) - as a franchise can be set up (sold) in each part of the country (1) • Less risk (1) – as the franchisee bears the loss of any one franchise (1) <p>ARA</p>

	Answer	Marks	Guidance												
4	<p>A business is considering a long-term marketing campaign with an initial cost of £150,000. The campaign will last for four years and is estimated to produce annual cash flows as shown in the table below.</p> <table border="1" data-bbox="430 464 846 676"> <thead> <tr> <th>Year</th> <th>Net cash flow (£)</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>(150,000)</td> </tr> <tr> <td>1</td> <td>220,000</td> </tr> <tr> <td>2</td> <td>120,000</td> </tr> <tr> <td>3</td> <td>50,000</td> </tr> <tr> <td>4</td> <td>20,000</td> </tr> </tbody> </table> <p>Calculate the average rate of return (ARR) for the marketing campaign.</p> <p>4 marks for correct answer (with or without workings)</p> <p>1 mark for correct formula (stated or implied)</p> <p>1 mark for correct calculation of net cash flow (£260,000)</p> <p>1 mark for arriving at final stage of 65,000/150,000 [OFR]</p> <p>Maximum 3 marks if answer has no/incorrect units or is of an incorrect magnitude. (Only 2 marks if both are incorrect)</p>	Year	Net cash flow (£)	0	(150,000)	1	220,000	2	120,000	3	50,000	4	20,000	<p>4 (AO1 3) (AO2 1)</p>	<p>ARR = $\frac{\text{Average profit}}{\text{Initial cost}} * 100$</p> <p>ARR = $\frac{260,000/4}{150,000} * 100$</p> <p>ARR = $\frac{65,000}{150,000} * 100$</p> <p>= <u>43.3% (43%)</u></p> <p style="text-align: right;">OFR</p> <p>Award 3 marks for an answer of 68.3% (with correct working) as the Year 0 cost has not been included in the net cash flow figure</p>
Year	Net cash flow (£)														
0	(150,000)														
1	220,000														
2	120,000														
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4	20,000														

	Answer	Marks	Guidance
5	 <p>a Calculate the total duration of the project.</p> <p>2 marks for correct answer of 20 (no units necessary)</p> <p>1 mark for answer of 17</p>	<p>2 (AO1 1) (AO2 1)</p>	<p>Node 1: 0,0 Node 2: 4,4 Node 3: 2,5 Node 4: 7,10 Node 5: 20,20</p> <p>EFT at node 5 = <u>20</u> (days)</p> <p>[The answer MUST appear in the answer section for the question for it to be awarded]</p>
	<p>b Calculate the total float of activity C.</p> <p>1 mark for correct answer of 3</p> <p>Check the completed diagram for an answer which may be 'correct' using the candidate's answer to part (a) [OFR]</p>	<p>1 (AO1 1)</p>	<p>Total float = LFT at node 4 - duration of C - EST at node 3 = 10 - 5 - 2 = <u>3</u> (days)</p> <p style="text-align: right;">OFR</p>
	<p>c State one activity which is on the critical path.</p> <p>1 mark for correct answer of A <u>or</u> E (Do not penalise the candidate if both answers are given)</p> <p>Award NO mark if any other letter is included as well as a correct answer.</p>	<p>1 (AO2 1)</p>	<p><u>A or E</u></p> <p>(Do not allow any OFR as it is possible to identify the critical path without calculating EFT or LFT or total float.)</p>

	Answer	Marks	Guidance
6	<p>Outline two situations where formal communication may be the most appropriate method of communication for a business to use.</p> <p>1 mark for each correct identification up to a maximum of 2 identifications, plus a further 1 mark for each of two developmental points.</p> <p>Ensure the two answers are different.</p> <p>Make sure that the explanation sets out <u>why</u> the formal communication would be appropriate in that situation, rather than just giving an example of the method to be used.</p> <p>Accept answers based around a particular method of formal communication as long as it is clear it is about its suitability in that situation.</p> <p>Do NOT reward answers which misinterpret the word 'formal' to mean the manner in which you may address somebody, for example in a meeting or when attending an interview. 'It will make the business or person look more professional' is also not an acceptable answer.</p>	<p>4 (AO1 2) (AO2 2)</p>	<p>Formal communication refers to an established & agreed official procedure which may be written verbal, for example:</p> <ul style="list-style-type: none"> • Communications with staff regarding legal, disciplinary or contractual or recruitment issues • Any communication which passes directly up or down the chain of command, e.g. the line manager giving instructions to a subordinate or the subordinate reporting back • Communicating with suppliers so that there is a record of any deal or discussion • Dealing with customers, (only award if referring to cases where they are complaining or have another grievance) • Shareholder communication with regards to dividends or business performance • Information which is stored or transferred about employees or other business data • When dealing with a bank/lender with regards financial matters so that there is a clear record of the terms <p><u>Exemplar responses:</u></p> <p>The business may need to carry out negotiations with a supplier (1) for which a clear and permanent record is necessary (1).</p> <p>The management may use a letter when notifying an employee of a disciplinary issue (1) so that there is a written record (1).</p> <p style="text-align: right;">ARA</p>

	Answer	Marks	Guidance
		SECTION B	
7	<p>Analyse one disadvantage for CGP’s shareholders of owning shares in a large business.</p> <p>Level 2 (3–4 marks) Candidate shows reasonable knowledge and understanding and shows good analysis of one disadvantage for CGP’s shareholders of owning shares in a large business.</p> <p>Level 1 (1–2 marks) Candidate shows limited knowledge and understanding of one disadvantage for CGP’s shareholders of owning shares in a large business.</p> <p>(NB – award one mark for a non–contextualised reason)</p> <p>0 marks no response or no response worthy of credit</p> <p>No reward for answers which talk generally about the disadvantages of owning shares (e.g. unpredictable returns, dividends fall as less people visit the cinema)</p> <p>No reward for answers which refer to the disadvantages for CGP (rather than its shareholders) unless the impact on the shareholders is explicit</p>	<p>4 (AO1 1) (AO2 1) (AO3 2)</p>	<p>Possible disadvantages include:</p> <ul style="list-style-type: none"> • Decisions are made by the managers rather than the owners so that it is the former’s objectives being followed which may diverge from the owners. • Each shareholder may have a very small share of the business and so will have very little power to influence decisions • With a large number of shareholders the profits will be split in many ways so that the dividend per share will be quite small • Poor decisions can have a much more significant effect on the business due to its size • Larger businesses can be inflexible and harder to turn around and/or make successful which may have an effect on dividends <p><u>Exemplar response:</u> A large business will experience divorce of ownership and control (1). This may mean that the decision by CGP’s managers to purchase CCI (1) may go against shareholders’ wishes (1), especially as their ownership may be diluted (1).</p> <p><u>Marking guidance</u></p> <p>1 mark for a correct disadvantage (K) 1 mark for use of context (APP) <u>Then</u> up to 2 marks for analysis (AN). There MUST be an APP before the analysis can be awarded</p> <p>Maximum 1 mark for a generic answer</p>

Answer		Marks	Guidance
			ARA
8	<p>Evaluate the usefulness of SWOT analysis as a marketing resource for CGP.</p> <p>Level 3 (7–9 marks) Candidate shows strong knowledge and understanding, analysis and evaluation of the usefulness of SWOT analysis as a marketing resource for CGP.</p> <p>Level 2 (4–6 marks) Candidate shows good knowledge and understanding, analysis and evaluation of the usefulness of SWOT analysis as a marketing resource for CGP.</p> <p>Level 1 (1–3 marks) Candidate shows limited knowledge and understanding of a SWOT analysis with limited or no analysis and evaluation of the benefits to CGP.</p> <p>(NB – award maximum of two marks for non-contextualised response).</p> <p>0 marks no response or no response worthy of credit.</p> <p>Do not reward answers which use the words strengths, weaknesses, opportunities and threats (or consider the ‘internal and external issues’) but go no further than saying CGP can use SWOT analysis to consider them. Also, look out for answers which only consider ‘things which CGP can do’ to make them more successful in the future but have no link to the concept of using a SWOT analysis.</p>	<p>9 (AO1 2) (AO2 2) (AO3 2) (AO4 3)</p>	<p>A SWOT analysis has a number of uses:</p> <ul style="list-style-type: none"> • To assess the current market conditions and quality of the current marketing strategy- there is a clearly identified threat of more people viewing films online and declining cinema attendances in the UK. CGP can be much more proactive (rather than reactive) in developing a suitable marketing strategy to combat this. • The managers can consider how effective the business is in its current business environment- the fact that ticket prices have offset falling ticket sales and CGP has a strong management team may give them confidence about taking on any future growth plans. • It is the first stage in developing a strategic plan- it would be assumed that at some time in the recent past CGP used the evidence gained (especially from the opportunities & threats) to make the bold decision to purchase CCI. • It is a tool/technique which forces formal consideration of a number of important issues affecting the business- this knowledge will be very useful for planning. <p>An alternative approach may be to pick up on some of the points listed in the SWOT analysis in Extract D and discuss how this may affect CGP’s future marketing plans.</p> <p>Answers which only discuss the evidence found in Extract D, in a descriptive manner, and then go on to discuss how they may affect CGP are unlikely to be answering the question.</p> <p>Answers MUST consider the usefulness of SWOT analysis (even if only very briefly) before any reward can be given for considering how it may not be useful.</p>

Answer		Marks	Guidance
			ARA
9	<p>a Calculate the earnings per share for the year ending 1 January 2015.</p> <p>2 marks for correct answer with or without working (Allow an answer of 21p or 20.5p)</p> <p>1 mark for correct formula (stated or implied)</p> <p>Award 1 mark if answer has inappropriate units</p> <p>Award 1 mark if formula is inverted (£4.87)</p>	<p>2 (AO1 1) (AO2 1)</p>	<p>EPS = Profit for the year/No. of shares issued</p> <p>EPS = £54.5m/265.2m = <u>£0.206 (20.6 pence)</u></p> <p><i>If a candidate uses one of the other profit figures for 2015 award 1 mark for the 'correct' answer (as long as working is shown). Gross profit = 68.0p, Operating profit = 28.7p, Profit before tax = 25.4p [No reward if units are incorrect as well]</i></p> <p>1 mark for answer which uses 2014 figures (as long as the formula is seen or implied)</p>
9	<p>b Calculate the non-current assets turnover for the year ending 1 January 2015.</p> <p>2 marks for correct answer (with or without working)</p> <p>1 mark for correct formula (stated or implied)</p> <p>Award 1 mark if answer has inappropriate units</p> <p>Award 1 mark if formula is inverted (1.5)</p>	<p>2 (AO1 1) (AO2 1)</p>	<p>Non-current assets turnover = Revenue/Non-current assets</p> <p>= 619.4m/938.8m = 0.66 (0.7)</p> <p>Allow answer in percentage form (e.g. 66% or 70%)</p> <p>1 mark for answer which uses 2014 figures = 0.95 (as long as the formula is seen or implied)</p>

	Answer	Marks	Guidance																																							
10*	<p>Evaluate the financial and non-financial performance of CGP.</p> <p>Level 3 (11–15) Candidate shows strong knowledge and understanding, analysis and evaluation of the financial and non-financial performance of CGP. <i>There is a well-developed line of reasoning which is clear and logically structured. The information presented is relevant and substantiated.</i></p> <p>Level 2 (6–10) Candidate shows good knowledge and understanding, analysis and evaluation of the financial and non-financial performance of CGP. <i>There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.</i></p> <p>Level 1 (1–5) Candidate shows limited knowledge and understanding of measuring performance with limited or no analysis and evaluation of CGP's situation. <i>The information is basic and communicated in an unstructured way. The information is supported by limited evidence and the relationship to the evidence may not be clear.</i></p> <p>NB – award maximum of two marks for non-contextualised impacts.</p> <p>0 marks no response or no response worthy of credit.</p>	<p>15 (AO1 2) (AO2 2) (AO3 4) (AO4 7)</p>	<p>Candidates may use one or more of the following ratios.</p> <table border="1" data-bbox="1207 328 1921 821"> <thead> <tr> <th>Ratio</th> <th>2015</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>Current ratio</td> <td>0.71</td> <td>0.63</td> </tr> <tr> <td>Acid test ratio</td> <td>0.66</td> <td>0.59</td> </tr> <tr> <td>GPM</td> <td>29.1%</td> <td>27.8%</td> </tr> <tr> <td>NPM</td> <td>12.3%</td> <td>9.2%</td> </tr> <tr> <td>ROCE</td> <td>8.5%</td> <td>9.5%</td> </tr> <tr> <td>ROE</td> <td>10.8%</td> <td>10.8%</td> </tr> <tr> <td>Gearing ratio</td> <td>43.4%</td> <td>50.6%</td> </tr> <tr> <td>Interest cover</td> <td>8.7</td> <td>5.7</td> </tr> <tr> <td>Non-current assets turnover</td> <td>0.66</td> <td>0.95</td> </tr> <tr> <td>Debtor days</td> <td>36.1 days</td> <td>31.1 days</td> </tr> <tr> <td>Stock turnover</td> <td>6.4 days</td> <td>1.2 days</td> </tr> <tr> <td>Dividend per share</td> <td>13.5p</td> <td>10.1p</td> </tr> </tbody> </table> <p>Of particular interest from the financial data is the much larger increase in NPM relative to GPM which may suggest a strong performance by the management team, which supports the comment in the SWOT analysis, in controlling expenses (especially considering the period includes the takeover of CCI and the challenges this brings). This has led to the higher dividend per share. A payback period of 4 years on new sites also looks impressive. On the other hand, the efficiency ratios have all declined (again possibly due to the CCI takeover) which may not bode well for future year's performances.</p> <p>The non-financial evidence contained in the introduction and Extracts D & E are mixed. By purchasing CCI and investing in the latest digital technology it seems that CGP is well positioned for the challenges it will face as film watching trends change. The business also appears to be concerned about its CSR by</p>	Ratio	2015	2014	Current ratio	0.71	0.63	Acid test ratio	0.66	0.59	GPM	29.1%	27.8%	NPM	12.3%	9.2%	ROCE	8.5%	9.5%	ROE	10.8%	10.8%	Gearing ratio	43.4%	50.6%	Interest cover	8.7	5.7	Non-current assets turnover	0.66	0.95	Debtor days	36.1 days	31.1 days	Stock turnover	6.4 days	1.2 days	Dividend per share	13.5p	10.1p
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			<p>encouraging access for all in their cinemas and embracing diversity and human rights. However, CGP only has one woman on a 10-person board of directors. This compares less favourably with a female rate of 43% at senior manager level and 46% for other team members. Is this evidence of a glass ceiling?</p> <p>Better answers may consider both financial and non-financial factors as well as recognising that we have limited information (only 2 years and no competitor) to make a comparison against.</p> <p style="text-align: right;">ARA</p>
11	<p>Evaluate the extent to which CGP may be more affected than other companies by the digital revolution. Justify your view.</p> <p>Level 3 (7–9 marks) Candidate shows strong knowledge and understanding, analysis and evaluation of how CGP may be affected by the digital revolution.</p> <p>Level 2 (4–6 marks) Candidate shows good knowledge and understanding, analysis and evaluation of how CGP may be affected by the digital revolution.</p> <p>Level 1 (1–3 marks) Candidate shows limited knowledge and understanding of technological change with limited or no analysis and evaluation of the impact on CGP.</p> <p>(NB – award maximum of two marks for non-contextualised response).</p> <p>0 marks no response or no response worthy of credit.</p>	<p>9 (AO1 2) (AO2 2) (AO3 2) (AO4 3)</p>	<p>There is evidence in the context that the cinema industry is being particularly affected by the digital revolution. In particular:</p> <ul style="list-style-type: none"> • The quality of the actual cinema experience (digital projection, 3D, surround sound etc.) has significantly affected the costs of firms in the industry. If cinemas do not make the necessary investment in technology, they will quickly lose ground in this competitive market. This may be the reason for the rationalisation seen in the industry and the purchase of CCI by CGP (to gain economies of scale). • The improved speed and quality of personal equipment both in the home and on the move, which allows the consumer to download or stream movies to most mobile devices or their TV. Broadband speeds and cloud-based technology have enabled this, as well as social change. As recognised in the SWOT analysis, this issue is only going to be more severe over time. • The issue of piracy (mentioned in Extract E) is making it harder to protect the individual property rights of both the film distributor and the cinema. This is leading to an increase in cost for the cinemas due to the necessary training for the staff so that they can better identify any suspicious activity in the cinema.

	Answer	Marks	Guidance
			<p>Better answers may make specific reference as to how CGP will be more or less affected than firms in other industries.</p> <p style="text-align: right;">ARA</p>
12	<p>Analyse one benefit to CGP of having a corporate social responsibility policy.</p> <p>Level 2 (3–4 marks) Candidate shows reasonable knowledge and understanding and shows good analysis of one benefit of CGP having a CSR policy.</p> <p>Level 1 (1–2 marks) Candidate shows limited knowledge and understanding of one benefit of CGP having a CSR policy.</p> <p>(NB – award one mark for a non–contextualised reason)</p> <p>0 marks no response or no response worthy of credit</p> <p>No reward for answers which refer to the benefits to other stakeholders (rather than CGP) unless the impact on CGP is made explicit</p> <p>No reward for an explanation of what a CSR policy is</p>	<p>4 (AO1 1) (AO2 1) (AO3 2)</p>	<p>Benefits of having a CSR policy include:</p> <ul style="list-style-type: none"> • Businesses are judged on more than their financial performance. Business must be seen to have a wider concern about their impact on society • Bad publicity derived from a lack of CSR can have a detrimental effect on a business' success • It may prove to be a strong marketing tool which can attract customers to your company and so leader to higher levels of sales and more profit • Employees are increasingly concerned by the reputation of a business and one with a strong CSR may have a better choice of potential employees. <p><u>Exemplar response:</u> CSR may be seen as a promotional tool (1) as customers may want to feel that the business cares about how it behaves (1). With falling numbers of cinema goers (1) CGP may find it difficult to be successful and the focus on diversity may be the crucial extra component which helps the business to attract a declining consumer base (1).</p> <p><u>Marking guidance</u></p> <p>1 mark for a correct benefit (K) 1 mark for use of context (APP) <u>Then</u> up to 2 marks for analysis (AN). There MUST be an APP before the analysis can be awarded</p> <p>Maximum 1 mark for a generic answer</p> <p style="text-align: right;">ARA</p>

	Answer	Marks	Guidance
13*	<p>Evaluate the impact of flexible working practices on CGP's stakeholders.</p> <p>Level 3 (11–15) Candidate shows strong knowledge and understanding, analysis and evaluation of the impact of flexible working practices for CGP's stakeholders. <i>There is a well-developed line of reasoning which is clear and logically structured. The information presented is relevant and substantiated.</i></p> <p>Level 2 (6–10) Candidate shows good knowledge and understanding, analysis and evaluation of the impact of flexible working practices for CGP's stakeholders. <i>There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.</i></p> <p>Level 1 (1–5) Candidate shows limited knowledge and understanding of flexible working practices with limited or no analysis and evaluation of their impact for CGP's stakeholders. <i>The information is basic and communicated in an unstructured way. The information is supported by limited evidence and the relationship to the evidence may not be clear.</i></p> <p>NB – award maximum of two marks for non-contextualised impacts.</p> <p>0 marks no response or no response worthy of credit.</p>	<p>15 (AO1 2) (AO2 2) (AO3 4) (AO4 7)</p>	<p>Flexible working practices are seen as an advantage to employers/owners (reduced costs due to more productive use of labour and less downtime/expensive overtime), customers (lower costs lead to lower prices) and employees (allows them to work around other commitments such as caring or studying).</p> <p>However, employees may see the disadvantages from a lack of certainty about level of pay, having to be on-call and lost overtime. Employers may lose out due to administrative costs and bad publicity.</p> <p>There is quite a lot of contextual material available:</p> <ul style="list-style-type: none"> • For the employers/shareholders- profits have more than doubled (Extract C) which suggests that the flexible working used by CGP is helping the bottom line. However, Extract E refers to 'ongoing learning & development' and CGP wishing to promote from within, with the right mix of skills & experience. This may be difficult when using flexible working practices as employees may feel less a part of the business as well as them not being employed on a 'normal' full-time contract. • Employees- there is a mixed picture presented in Extract G. The employee who is quoted anonymously refers to the inability to plan ahead, the uncertainty of being able to pay bills and the difficulty of rearranging hours and other commitments. However, according to the business founder, he has not had one single complaint and a majority of the staff use their work at CGP to 'top up' their income from other jobs. If the latter is true, flexible working is clearly advantageous for these employees. There is also a flexible benefits package which may well compensate employees for the uncertainty of flexible practices. • Customers- the large multiplex cinemas such as CGP are open throughout the day and all weekend. Customers want this convenience and expect a certain level of service. If

Answer		Marks	Guidance
			<p>CGP does not have the option to use flexible working it may be difficult to open such long hours without higher prices. These higher prices may drive customers away (especially with the increased online options now available).</p> <p>Candidates may consider other aspects of flexible working, such as job sharing or flexi-time, as long as they are relevant to CGP and the impact is shown on one or more of its stakeholders.</p> <p>Better answers will cover more than one stakeholder and recognise that there is conflict between them. In addition, they may recognise that flexible practices are now part of the modern service business (cf. McDonalds & Sports Direct) and if CGP does not use them then it would not be competitive.</p> <p style="text-align: right;">ARA</p>

APPENDIX 1 – GRID FOR 2017 EXAMINATION

Question	AO1	AO2	AO3	AO4	Total	Quantitative skills
Section A						
1	2	-	-	-	2	
2	2	-	-	-	2	
3	3 (3)	1 (1)	-	-	4	4
4	2 (2)	2 (2)	-	-	4	4
5	2	2	-	-	4	
6	2	2	-	-	4	
Sub-Total	13	7	-	-	20	8
Section B						
7	1	1	2	-	4	
8	2	2	2	3	9	
9	2 (2)	2 (2)	-	-	4	4
10	2	2	4	7	15	
11	2	2	2	3	9	
12	1	1	2	-	4	
13	2	2	4	7	15	
Sub-Total	12	12	16	20	60	4
Total	25	19	16	20	80	12

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

www.ocr.org.uk

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Head office
Telephone: 01223 552552
Facsimile: 01223 552553

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