CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/22**

Paper 2 Business Concepts 2 **May/June 2025**

MARK SCHEME

Maximum Mark: 60

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 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **38** 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 descriptions 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.

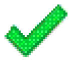
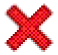
Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	For objective points that are right or wrong.
	For objective points that are wrong.
	When there is a misunderstanding in a response.
TV	When the candidate has attempted something, but the mark/skill has not been awarded.
Highlighter Or Underline	To highlight a point or section of an answer that justifies the mark/annotation.
BOD	When the candidate has attempted something, and the mark/skill has been awarded.
On page comment	To communicate with the supervisor.
NUT	When the context has not been used.

Annotation	Meaning
SEEN	To show a page/section has been seen/read.
NAQ	When the response is not focussed on answering the question.
REP	The repetition of a previous point in a response **or** candidate is copying the case study/data.
OFR	The own figure rule applies – acts as a mark/tick.
K	When AO1 has been awarded. Number of Ks should match the mark awarded.
APP	When AO2 has been awarded. Number of APPs should match the mark awarded.
AN	When AO3 at Level 1 has been awarded.
DEV	When AO3 at Level 2 has been awarded.
EVAL	When AO4 at Level 1 has been awarded.
E	When AO4 at Level 2 has been awarded.
EE	When AO4 at Level 3 has been awarded.

Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:
- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

PREPARATION FOR MARKING

1 Make sure that you have completed the relevant training and have access to the *RM Assessor Guide*.
2 Make sure that you have read and understand the question paper, which you can download from https://support.rm.com/ca
3 Log in to RM Assessor then mark and submit the required number of practice and standardisation scripts. You will need to mark the standardisation scripts to the required accuracy in order to be approved for marking live scripts. You may be asked to re-mark them, or to mark a second sample, if you do not meet the required accuracy on your first attempt.

MARKING PROCESS

1 Mark strictly to the FINAL mark scheme, applying the criteria consistently and the general marking principles outlined on the previous page.
2 If you are in doubt about applying the mark scheme, consult your Team Leader.
3 Mark at a steady rate through the marking period. Do not rush, and do not leave too much until the end. If you anticipate a problem in meeting the deadline, contact your Team Leader immediately and the Examiners' Helpdesk.
4 Examiners will prepare a brief report on the performance of candidates to send to their Team Leader via email by the end of the marking period. The Examiner should note strengths seen in answers and common errors or weaknesses. Constructive comments on the question paper, mark scheme or procedures are also appreciated.

MARKING SPECIFICS

Crossed out work

1 **All a candidate's answers, *crossed out* or not, *optional* or not, must be marked.**
2 The only response not to be marked is one that has been crossed out and replaced by another response for that exact same question.
3 Consequently, if a candidate has crossed out their response to an optional question and gone on to answer a different optional question then both attempts must be marked. The higher mark will be awarded by the system according to the rubric.

0 (zero) marks or NR (no response)

1 Award **NR** if there is nothing at all written in answer to that question (often the case for optional questions).
2 Award **NR** if there is a comment which is not an attempt at the question (e.g. 'can't do it' or 'don't know' etc.)
3 Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
4 Award **0** (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.

Question	Answer	Marks
1(a)(i)	**Identify <u>one</u> business activity within the quaternary sector.** Responses may include: The quaternary sector consists of those industries providing **knowledge/communication and information services**, such as • computing • ICT • consultancy • research and development (R&D) • digital marketing • digital recruitment and selection • Intellectual property (copyright, patents) Allow examples of specific business', industries etc. that exist in the quaternary sector, including • web/internet design • Education • Training • Media • Government • Cyber security *Note: – allow any activity that **<u>could</u>** be in the quaternary sector* Accept all valid responses.	**1**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(a)(ii)</td><td>

Explain the term *supply chain management*.

<table>
<tr><th>AO1 Knowledge and understanding
1 mark</th><th>AO2 Application
2 marks</th></tr>
<tr><td></td><td>2 marks
Developed application of one relevant point to a business context.</td></tr>
<tr><td>1 mark
Knowledge of one relevant point is used to answer the question.</td><td>1 mark
Limited application of one relevant point to a business context.</td></tr>
<tr><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

Responses may include:
AO1 Knowledge and understanding
Knowledge of supply chain management (max 1 mark), including:
The coordination (allow management) of the flow/movement of goods and services.
Allow – management of inventory
–management of raw materials

AO2 Application
Limited application applies knowledge of supply chain management from one aspect of the supply chain (ie suppliers to a business, within a business or from the business to customers).
Developed application + applies knowledge of supply chain management in two or more aspects of a business.

Explanation of supply chain management (max 2 marks), including:
From suppliers to business
Within the business
To the customer

</td><td>3</td></tr>
</table>

Question	Answer	Marks
1(a)(ii)	• **From** suppliers – and **to** customers. • Between different parts **within** the business – and **to** the customer. • Raw materials **within** the business – and **to** distribution channels. • Involves the complete chain of inventory **from** suppliers – **to** customers. • Involves inventories, **from** raw materials – **to** finished goods. Accept all valid responses.	

Exemplar and annotations	Mark	Rationale
Coordination of the movement of products. For example, how raw materials are delivered to the business and how the business delivers products to customers.	3	Explicit knowledge of supply chain management and explanation of two elements of the supply chain.
The coordination of products from the suppliers delivering to the business and how the business moves these through its production process.	3	Poorly defined, but there is clear knowledge that the supply chain involves movement. Two elements of the movement, from the supplier to the business and then the business through the production process.
Movement of inventory around a factory, and to the customers	3	Knowledge of movement with movement around a factory and to customers, so all three marks.
Management of the raw materials being turned into products which can be sent to customers.	2	Clear knowledge, but only one type of movement.
Managing the movement of products.	1	Not a perfect definition, but enough to award the knowledge mark. No attempt to apply.
Looking after how products are offered to customers.	0	No explicit knowledge of movement. Can not award APP without K.
Managing the supply chain.	0	Tautology

Question	Answer	Marks
1(b)(i)	**Refer to Table 1.1 and other information. Calculate TT's forecast total profit from the QZ contract.** **Formula:** Profit = TR – TC (direct costs + indirect costs) (1) **OR** Calculation of total direct costs = $5 × 5000 = $25 000 (1) **Calculation of TC:** TC = $25 000 + $9000 = $34 000(1) **Answer** $40000 – $34000 = $6000 (1 – OFR rule applies) **Ans = $6000 (3 marks)**	

Question	Answer	Marks
1(b)(i)	**Exemplars and annotations**	

Marks		
3 marks	Correct answer **6000**	**Working and $ sign do not matter**. An answer of 6 is incorrect.
2 marks	Correct calculation of total costs (TC) ($34 000 – with working). **OR** Correct calculation of gross profit ($15 000 – with working) **OR** An incorrect answer with one mistake allowing OFR for final stage.	To award two marks, there must be • Two ✓ and a ✗ **OR** • One ✓ , one ✗ and one OFR **OR** • Two OFR and a ✗
1 mark	**One** of the following: • Correct formula • Correct calculation of total direct costs ($25 000)	To award one mark, there must be: • One ✓ and two ✗
0 marks	No creditable content.	To award zero marks, there must be a minimum of one ✗

Question	Answer	Marks
1(b)(ii)	**Explain one reason why TT needs accurate cost information.**	3

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context.
1 mark Knowledge of **one** relevant point is used to answer the question.	**1 mark** Limited application of **one** relevant point to a business context.
0 marks No creditable response.	**0 marks** No creditable response.

Responses may include:

AO1 Knowledge and understanding
Identification of a reason why a business needs accurate cost information (max 1 mark), including:
- To calculate the total cost of production
- To make sure a profit is made
- To identify the profit margin
- To identify the break even point / margin of safety / target profit level
- To know how much finance is needed
- To categorise costs
- To forecast sales
- To budget/plan
- To set prices

Question	Answer	Marks
1(b)(ii)	**AO2 Application** Explanation of a reason why a business needs accurate cost information (max 1 mark), including: • To calculate the total cost of production – to calculate profit levels • To make sure a profit is made – which can increase dividends • To identify the profit margin – to benchmark against other businesses • To identify the break-even point / margin of safety / target profit level – to ensure the business sells enough to cover the costs • To know how much finance is needed – so that a bank can see how much profit may be made • To categorise costs – to budget for cost centres • To forecast sales – to estimate the break-even level of sales • To budget – so that the business can plan for future expansion • To set prices – by knowing the total costs which need to be covered. Context applied to **TT** (max 1 mark), including: • TT has shareholders • Specialises in supply chain management • Contracts to deliver raw materials • To secondary and tertiary sector businesses • Agreed contract between TT and QZ • Use of Table 1.1 • TT employs 120 drivers • Objective to increase sales • Targeting small, online retail businesses • Requires a new fleet of smaller trucks	

Question	Answer	Marks
1(b)(ii)		

Exemplar and annotations	Mark	Rationale
To set prices by calculating the total costs and setting a price higher than the cost per unit when delivering 5000 products for QZ .	3	A reason identified, explained and in context, so all 3 marks.
To set budgets for the 5000 QZ deliveries .	2	A reason identified, but not explained. The context about QZ is fine.
So that TT can know how much finance it needs to cover the QZ order.	1	Identification of a reason, but no explanation and the context is TV. Names are not enough for context.
So that TT can survive.	0	No specific reason identified.

- Plans to use digital promotion.

Accept all valid responses.

Question	Answer	Marks
1(c)	**Analyse two advantages to TT of improving diversity and equality in the workplace.**	8

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
2			**3–4 marks** **Developed analysis** • Developed analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Developed analysis that identifies connections between causes, impacts and/or consequences of **one** point.
1	**1–2 marks** • Knowledge of **two** relevant points is used to answer the question • Knowledge of **one** relevant point is used to answer the question.	**1–2 marks** • Application of **two** relevant points to a business context. • Application of **one** relevant point to a business context.	**1–2 marks** **Limited analysis** • Limited analysis that identifies connections between causes, impacts and/or consequences of **two** points. • Limited analysis that identifies connections between causes, impacts and/or consequences of **one** point.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(c)	*Note: Annotate the first advantage in the left-hand margin and the second advantage in the right-hand margin.* Responses may include: **AO1 Knowledge and understanding** Identification of an advantage of improving diversity and equality, including: • Increase potential supply of workers • Reduce the chance of being sued • Increase motivation • Improve reputation/ brand image • Attract more diverse employees • Reduce labour turnover **AO2 Application** Application of the advantage to TT, including: • TT is a private limited company • Specialises in supply chain management • Contracts to deliver raw materials • To secondary and tertiary sector businesses • Works with one of the largest manufacturers in country J • Agreed contract between TT and QZ • Use of Table 1.1 • TT employs 120 drivers • Objective to increase sales • Targeting small, online retail businesses • Requires a new fleet of smaller trucks • Plans to use digital promotion • Industry has been criticised for not having diversity and equality	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1(c)</td><td>

AO3 Analysis

- Limited analysis of an advantage of improving diversity and equality to a business $\boxed{\text{AN}}$ – developed analysis $\boxed{\text{DEV}}$, including:
- Increase potential supply of workers: reduce labour costs – increase profitability.
- Reduce the chance of being sued – decrease business costs – increase profit.
- Increase motivation – increase efficiency of the business – increase profitability.
- Improve reputation – increase sales / contracts – increase profit.
- Attract more diverse employees – brings new ideas into the business – increase sales / profit.
- Reduce labour turnover – reduce business costs – increase profitability.

Accept all valid responses.

Exemplar and annotations

<table>
<tr><th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr>
<tr><td>Motivate drivers $\boxed{\text{K}}$,</td><td>as there are 120 of them $\boxed{\text{APP}}$,</td><td>so this might lead to more productive employees $\boxed{\text{AN}}$ leading to lower average costs $\boxed{\text{DEV}}$.</td></tr>
<tr><td>Attract better employees $\boxed{\text{K}}$.</td><td>Which will help TT reach its objective to increase sales $\boxed{\text{APP}}$,</td><td>by having more skilled employees, TT can increase the number of deliveries $\boxed{\text{AN}}$ and therefore increase the profit $\boxed{\text{DEV}}$.</td></tr>
</table>

</td><td></td></tr>
</table>

Question	Answer	Marks
1(d)	**Evaluate the usefulness of digital promotion to TT when targeting small online retailers.**	**12**

Level	**AO1 Knowledge and understanding 2 marks**	**AO2 Application 2 marks**	**AO3 Analysis 2 marks**	**AO4 Evaluation 6 marks**
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
1(d)	Responses may include: **AO1 Knowledge and understanding – knowledge of digital promotion** Knowledge of digital promotion (max 2 marks), including: • Social media • Email • Using the internet /technology (marketing) • Online (marketing) • Spam • Influencer • Search engine optimisation • Mobile/smartphone/ app-based (marketing) • Viral (marketing) • Pay per click **AO2 Application** Application to TT, including: • TT is a private limited company • Specialises in supply chain management • Contracts to deliver raw materials • To secondary and tertiary sector businesses • Works with one of the largest manufacturers in country J • Agreed contract between TT and QZ • Use of Table 1.1 • TT employs 120 drivers • Objective to increase sales • Requires a new fleet of smaller trucks	

Question	Answer	Marks
1(d)	**AO3 Analysis** **Analysis of the usefulness of digital promotion, including** • Limited analysis of the use of digital promotion AN – developed analysis DEV , including: • To communicate: relatively inexpensive which reduces business costs – increases profit. • To inform: digital promotion can be very fast with messages reaching customers instantly, this is likely to increase customer knowledge of a business and increase sales – increasing profit. • To persuade: people spend vast amounts of time on digital devices so digital promotion is likely to target these customers more than other types of promotion, increasing sales – increasing profit. Always on: especially with the increase in wearable technology, digital promotion increases the chances of customers seeing the promotion and being persuaded to make a purchase – increasing profit. **AO4 Evaluation** Limited evaluation of the usefulness of digital promotion EVAL – developed E – developed in context EE , including: • Relative usefulness of digital promotion in targeting smaller online retailers. • Comparison with non-digital types of promotion • Comparison of different digital promotion methods. • Use of digital methods may depend upon; cost of method, target market of customers for the online retailers, advances in technology (speed, influence etc.), budget available, geographical spread of market etc. • The impact of the chosen digital promotion methods method(s) and the impact of the methods themselves. • The likely response from competitors. • A judgement of the most useful method of digital promotion. Accept all valid responses.	

Question	Answer	Marks
1(d)	**Exemplars for awarding evaluation** **Evaluate the usefulness of digital promotion to TT when targeting small online retailers.**	

L1 EVAL (limited supporting evidence)	**L2 E (developed supporting evidence)**	**L3 EE (developed supporting evidence with context)**
Digital promotion is very useful for TT.	Digital promotion is very useful for TT because it is a low-cost way to change customers opinion about the business.	Digital promotion is very useful for TT because it is a low-cost way to change customers opinion about the business. Low cost is important so that TT can make the new QZ contract successful.
Digital promotion is not useful for TT.	Digital promotion is not useful for TT because it is more likely to be ignored by customers as spam.	Digital promotion is not useful for TT because it is more likely to be ignored by customers as spam because of the newspaper criticism.

Question	Answer	Marks
2(a)(i)	**Identify <u>one</u> external source of finance.** Responses may include: Knowledge of an external source of finance: • share capital • debentures • new partners • venture capital • (bank) overdrafts • leasing • hire purchase • (bank) loans • mortgages • debt factoring • trade credit • micro-finance • crowd funding • government grants • peer to peer Accept all valid responses.	**1**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(ii)</td><td>

Explain the term *business plan*.

<table>
<tr><th>AO1 Knowledge and understanding
1 mark</th><th>AO2 Application
2 marks</th></tr>
<tr><td></td><td>2 marks
Developed application of one relevant point to a business context.</td></tr>
<tr><td>1 mark
Knowledge of one relevant point is used to answer the question.</td><td>1 mark
Limited application of one relevant point to a business context.</td></tr>
<tr><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>

Responses may include:
AO1 Knowledge and understanding
Knowledge of a business plan, including:

- formal written document containing the goals of a business.
- the methods for attaining business goals/objectives/targets etc.
- a written document that describes a business and its objectives.
- a document outlining the direction of the business and how to get there.

AO2 Application
Explanation of a business plan (max 2 marks), including:

- Any example of a section from a business plan (1 mark for each up to max of 2 marks); HRM plan, marketing plan, operations plan, finance plan.
- Any other relevant data which might be included in a business plan.
- Examples of potential uses of a business; gain finance, find investors etc.
- A business plan may have a specific timeframe for achieving its objectives
- May include internal and external influence data

Accept all valid responses.

</td><td>3</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(a)(ii)</td><td>
<table>
<tr><th>Exemplar and annotations</th><th>Mark</th><th>Rationale</th></tr>
<tr><td>A written document showing the objectives for the business $\boxed{K}$ and the functional areas, such as Marketing $\boxed{APP}$ that are involved. Business plans are often used to apply for finance $\boxed{APP}$.</td><td>3</td><td>Clear knowledge that objectives form part of the business plan. A functional area also identified, as well as a use of a business plan.</td></tr>
<tr><td>Can be used to inform external stakeholders about the business $\boxed{APP}$. A business plan can be created for a specific time period, such as 5 years $\boxed{APP}$. It is the details about the business and its environment $\boxed{K}$</td><td>3</td><td>Some idea of what is in a business plan (details and environment), and a use of a plan. Also the time period.</td></tr>
<tr><td>A document outlining what the business does $\boxed{K}$ for a specific time period $\boxed{APP}$.</td><td>2</td><td>Knowledge of what is in a business plan and time period.</td></tr>
<tr><td>A future plan for how a business will achieve its objectives $\boxed{K}$.</td><td>1</td><td>Clear knowledge.</td></tr>
<tr><td>A plan of the business for the future $\boxed{TV}$.</td><td>0</td><td>Tautology – candidates need to show they know what ‘business’ and ‘plan’ mean.</td></tr>
<tr><td>A forecast of the sales made by a business. $\boxed{TV}$</td><td>0</td><td>No understanding of a business plan.</td></tr>
</table>
</td><td></td></tr>
</table>

Question	Answer	Marks
2(b)(i)	**Refer to Fig 2.1 and other information. Calculate the total payment to the social media influencer in February.** **Formula:** Total payment = salary + commission (% of sales) (1) **OR** Correct calculation of revenue that comes directly from the influencer in Feb = Total sales in four weeks – \$4000 + \$3000 + \$500 + \$3000 = \$10 500 (1) **OR** Correct calculation of total salary for influencer for Feb = \$250 + \$250 + \$250 + \$250 = \$1000 (1) **Calculation:** 5% of \$10 500 = \$525 (1) Total payment = \$1000 (salary) + \$525 (commission) = \$1525 (1 – OFR applies) **Ans = \$1525 (3 marks)**	

Question	Answer	Marks
2(b)(i)	**Exemplar and annotations**	

Marks		
3 marks	Correct answer **$1525**	**Working and sign do not matter**. $
2 marks	Correct calculation of commission based on total revenue that comes directly from the influencer in Feb ($525) **OR** An incorrect answer with one mistake allowing OFR for final stage. **OR** An answer that misses out the commission ($11 500 with working)	To award two marks, there must be • Two ✓ and a ✗ **OR** • One ✓ , one ✗ and one OFR **OR** • Two OFR and a ✗
1 mark	**One** of the following: • Correct formula • Correct calculation of total revenue that comes directly from the influencer in Feb ($10 500). • Correct calculation of total salary for FEB ($1000).	To award one mark, there must be: • One ✓ and two ✗
0 marks	No creditable content.	To award zero marks, there must be a minimum of one ✗

Question	Answer	Marks
2(b)(ii)	**Explain one disadvantage to Kaia of using a commission payment method.**	3

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business context.
1 mark Knowledge of **one** relevant point is used to answer the question.	**1 mark** Limited application of **one** relevant point to a business context.
0 marks No creditable response.	**0 marks** No creditable response.

Responses may include:

AO1 Knowledge and understanding

Knowledge of a disadvantage of using commission (max 1 mark), including

- Increases business costs
- Reduces profit/ profit margin
- Difficult to predict / forecast
- May lead to aggressive sales techniques
- May cause anxiety/stress/demotivation (for the employee)
- May prioritise short-term gains, over long-term business objectives
- May be difficult to recruit new workers
- May cause employees to compete with one another
- Paid from revenue, not profit (may need to be paid even if PB does not make a profit)

AO2 Application

Explanation of a disadvantage of using commission payment method (max 1 mark), including:

- Increases business costs – as the business increases revenue, commission also increases
- Difficult to predict / forecast – which can mean that PB may not be able to calculate the break-even point
- May lead to aggressive sales techniques – as salespeople push to increase their own income

Question	Answer	Marks
2(b)(ii)	• May cause anxiety/stress (for the employee) – leading to lower motivation • May prioritise short-term gains, over long-term business objectives – as employees focus on increasing short term revenue and not profit margins • May be difficult to recruit new workers – because of the uncertainty of their likely income • May cause employees to compete with one another – and work towards their own utility, not the good of the business • Paid from revenue, not profit – so may need to be paid even if PB does not make a profit Context applied to PB (max 1 mark), including: • 5% commission on direct sales • OFR from **Q2(b)(i)** • Social media influencer gets a salary as well ($250 a week) • Use of data in chart 2.1	

Exemplar and annotations	Mark	Rationale
A commission adds to PBs costs which can reduce the profit available to relocate PB to larger premises .	3	A disadvantage identified and explained with context.
It may lead to competition between workers which could lead to demotivated employees reducing the $10 500 revenue from the influencer .	3	A disadvantage, which is explained and context used.
May be difficult to recruit new influencers if 5% commission seems low.	2	A disadvantage and context. However the disadvantaged is not explained as to how/why recruitment may be more difficult based on commission.
Reduce profit , and may demotivate the employees.	1	There are two pieces of knowledge here, but they are not linked (ie the candidate has not stated that there is less profit because of the demotivation). Only K so max 1 mark.
Paying a 5% commission means that for every $1 of revenue the influencer sells, they get $0.05.	0	There is no knowledge of a disadvantage of using commission.

Accept all valid responses.

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(c)</td><td>
Analyse <u>one</u> advantage and <u>one</u> disadvantage to Kaia of using job production.
<table>
<tr><th>Level</th><th>AO1 Knowledge and understanding
2 marks</th><th>AO2 Application
2 marks</th><th>AO3 Analysis
4 marks</th></tr>
<tr><td>2</td><td></td><td></td><td>3–4 marks
Developed analysis
• Developed analysis that identifies connections between causes, impacts and/or consequences of two points.
• Developed analysis that identifies connections between causes, impacts and/or consequences of one point.</td></tr>
<tr><td>1</td><td>1–2 marks
• Knowledge of two relevant points is used to answer the question.
• Knowledge of one relevant point is used to answer the question.</td><td>1–2 marks
• Application of two relevant points to a business context.
• Application of one relevant point to a business context.</td><td>1–2 marks
Limited analysis
• Limited analysis that identifies connections between causes, impacts and/or consequences of two points.
• Limited analysis that identifies connections between causes, impacts and/or consequences of one point.</td></tr>
<tr><td>0</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td><td>0 marks
No creditable response.</td></tr>
</table>
Note: Annotate the first advantage in the left-hand margin and the first disadvantage in the right-hand margin.
</td><td>8</td></tr>
</table>

Question	Answer	Marks
2(c)	Responses may include: **AO1 Knowledge and understanding** Knowledge of an advantage of using job production (max 1 mark), including: • High quality • High price • Flexibility • Customisation / customer satisfaction • All finished products are sold Knowledge of a disadvantage of using job production (max 1 mark), including: • High production costs • Long lead time • Requires specialist equipment **AO2 Application** Application of an advantage or disadvantage to PB, including: • Kaia has a university degree in textile designs • Kaia thinks she has entrepreneurial qualities • Sole trader • Current objective to break even • Blankets personalised with a picture • Picture supplied by customer • Customers design their own blanket (customisable size and picture) • Many customers buy the blankets as gifts for special occasions (birthdays, holidays etc.) • Being promoted by a social media influencer • Use of data in Chart 2.1 **AO3 Analysis** Limited analysis of an advantage of job production – developed analysis, including: • High quality: increases customer satisfaction and leads to sales – increases profit. • Customisation / customer satisfaction; likely to lead to increased sales – increased profit. • All finished products are sold; more likely to have costs lower than revenue – increased profitability.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2(c)</td><td>
Limited analysis of a disadvantage of job production AN – developed analysis DEV , including:

High production costs: may need to increase price to cover costs – less chance to break even and make a profit.
Long lead time; may irritate customers leading to bad reviews – lower sales and profit.
Requires specialist equipment; may need to purchase expensive capital equipment increasing costs – reducing profitability.

Accept all valid responses.

Exemplars and annotations
<table>
<tr><th>AO1 Knowledge</th><th>AO2 Application</th><th>AO3 Analysis</th></tr>
<tr><td>Higher prices K,</td><td>For individual blankets that are personalised with a picture APP.</td><td>This is likely to lead to higher revenue AN leading to higher profit DEV.</td></tr>
<tr><td>Takes longer to produce K.</td><td>Which may be a issue if customers are purchasing for a special occasion, like a birthday APP,</td><td>So, customers may go to a different business, reducing PBs revenue AN and therefore decrease the profit DEV.</td></tr>
</table>
</td><td></td></tr>
</table>

Question	Answer	Marks
2(d)	**Evaluate the most likely reason for Kaia's objectives to change over the next five years.**	12

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **Developed evaluation in context** • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which balance some key arguments in the business context.
2	**2 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**2 marks** **Developed analysis** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1 mark** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

Question	Answer	Marks
2(d)	Responses may include: **AO1 Knowledge and understanding** Knowledge of why business objectives may change over time (max 1 mark), including: • As the business grows • If the previous objective has been met • As the business declines • As the business maintains • As the market changes • As competitors act / react • When aims / vision / mission changes • As the business environment changes (not required at AS level, but rewarded) – SLEEPT **AO2 Application** Application to PB (max 2 marks), including: • Kaia has a university degree in textile designs • Kaia thinks she has entrepreneurial qualities • Sole trader • Current objective to break even • Blankets personalised with a picture • Picture supplied by customer • Customers design their own blanket (customisable size and picture) • Many customers buy the blankets as gifts for special occasions (birthdays, holidays etc.) • Being promoted by a social media influencer • Use of data in Chart 2.1 • Thinking of relocating PB **AO3 Analysis** Limited analysis of **how** the objectives change – developed analysis , including: • As the business grows; objectives may change to profit maximisation – so that the owners can start to receive an income for their risk. • As the business declines, objectives may change to survival – and the business may reduce prices in an effort to gain a new market of customers.	

Question	Answer	Marks
2(d)	• As the business maintains; the business owner may decide not to continue the business – leading to trying to recover as much of the capital invested as possible. • As the market changes, the business will need to adapt to the changing market, perhaps by making significant changes to the type of product being sold or doing some expensive market research into the new customer preferences – leading to an increase in costs and a reduction in profitability. • As competitors act / react; the business may become a price taker and change their marketing mix – so that they can maintain and grow their market share. • When aims / vision / mission changes; if the owner decides to change the mission of the business, then all the functions of the business may also need to be changed. For example, buying new capital items that allow it to make a different product – leading to an increase in business costs and reduced profit. • As the business environment changes (not required at AS level, but rewarded); for example, if the economy goes into recession, then luxury items may not be demanded, reducing customers – leading to a decrease in sales revenue and profit. **AO4 Evaluation** Limited valuation of the most likely reason why objectives may change EVAL – developed E – developed in context EE , including: • A judgement of the most likely reason for Kaia's objectives to change over the next five years. • What the judgement may depend upon; the owners desire to continue / grow the business, the market research, dynamism of the market, competitors' actions / reactions etc. • Kaia has only just started the PB, so the objectives may change significantly over the next five years. Does she have the knowledge / research / experience to judge how the objectives might change over such a long period of time? • To what extent is PB in a growing or declining market and how many of her customers choose to repeat purchase? • Kaia's own objectives – she thinks she has entrepreneurial qualities, so will she be looking at new products / business ideas over the next five years, which may mean that PB might not even exist, or be in a very different format to what it is today. Is it sensible to try and plan for five years with such limited experience? • A judgement about likeliness of the business objectives needing to change over five years. Accept all valid responses.	

Question	Answer	Marks
2(d)	**Exemplars for awarding evaluation**	

L1 EVAL **(limited supporting evidence)**	**L2** E **(developed supporting evidence)**	**L3** EE **(developed supporting evidence with context)**
The most likely reason is because PB has reached its previous objective.	The most likely reason is because PB has reached its previous objective. This means that Kaia will need a new objective, such as profit maximisation.	The most likely reason is because PB has reached its previous objective, to break even. This means that Kaia will need a new objective, such as profit maximisation.
It depends on her personal objectives.	It depends on her personal objectives, because she is the owner, the objectives will need to change to adapt to her needs.	It depends on her personal objectives, because she is a sole trader, the objectives will need to change to adapt to her needs.