
BUSINESS

9609/21

Paper 2 Data Response

October/November 2019

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 October/November 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **20** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer	Marks																
1(a)(i)	Define the term ‘fixed costs’ (line 22).	2																
	<table><tr><th>Knowledge</th><th>Marks</th></tr><tr><td>A correct definition</td><td>2</td></tr><tr><td>A partial, vague or unfocused definition</td><td>1</td></tr><tr><td>No creditable content</td><td>0</td></tr></table>		Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0								
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	Content Money paid by a business where the amount does not change (1) as output changes (1).																	
	Award one mark for each element of a correct definition: <ul style="list-style-type: none">• does not change/stays the same• as output changes/varies																	
	<table><tr><th>Exemplar</th><th>Mark</th><th>Rationale</th></tr><tr><td>Costs that don't vary (1) with output (1)</td><td>2</td><td>Both elements, costs don't change as output changes</td></tr><tr><td>The cost doesn't change</td><td>1</td><td>Only one element</td></tr><tr><td>Unchanging costs</td><td>1</td><td>Only one element</td></tr><tr><td>costs change with output</td><td>0</td><td>Confused with variable costs</td></tr></table>		Exemplar	Mark	Rationale	Costs that don't vary (1) with output (1)	2	Both elements, costs don't change as output changes	The cost doesn't change	1	Only one element	Unchanging costs	1	Only one element	costs change with output	0	Confused with variable costs	
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1(a)(ii)	<p>Explain the term ‘channels of distribution’ (line 3).</p> <p>Award one mark for each point of explanation:</p> <table border="1"> <thead> <tr> <th></th><th>Rationale</th><th>Mark</th></tr> </thead> <tbody> <tr> <td>C</td><td>Example or some other way of showing good understanding, i.e. examples of intermediaries, channels</td><td>1</td></tr> <tr> <td>B</td><td>Stages/intermediaries/different ways of selling/chain of businesses</td><td>1</td></tr> <tr> <td>A</td><td>From producer to consumer/sell products to consumers</td><td>1</td></tr> </tbody> </table> <p>Content</p> <ul style="list-style-type: none"> A chain of stages which a product or service goes through on the way from the producer to the consumer. Can be direct, using the internet, or through intermediaries such as a warehouse, agent or retailer. <p>ARA</p> <table border="1"> <thead> <tr> <th>Exemplar</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>Different ways of selling (B mark) products to consumers (A mark) e.g. supplier to wholesaler to consumer (C mark)</td><td>3</td><td>Point from each category</td></tr> <tr> <td>A chain of intermediaries (B) a good passes through until it reaches the final buyer (A) e.g. wholesalers, retailers, direct (C)</td><td>3</td><td>Point from each category</td></tr> <tr> <td>Chain of businesses (B) that sell products to consumers (A)</td><td>2</td><td>Only two categories covered</td></tr> <tr> <td>The ways in which (B) producers sell to consumers (A)</td><td>2</td><td>Only two categories covered</td></tr> <tr> <td>Stages a product passes through (B)</td><td>1</td><td>A bit vague but BOD for ‘stages’</td></tr> <tr> <td>Selling products to consumers (A)</td><td>1</td><td>Again a bit vague but fits the A category</td></tr> <tr> <td>The production process</td><td>0</td><td>No understanding shown</td></tr> </tbody> </table>		Rationale	Mark	C	Example or some other way of showing good understanding, i.e. examples of intermediaries, channels	1	B	Stages/intermediaries/different ways of selling/chain of businesses	1	A	From producer to consumer/sell products to consumers	1	Exemplar	Mark	Rationale	Different ways of selling (B mark) products to consumers (A mark) e.g. supplier to wholesaler to consumer (C mark)	3	Point from each category	A chain of intermediaries (B) a good passes through until it reaches the final buyer (A) e.g. wholesalers, retailers, direct (C)	3	Point from each category	Chain of businesses (B) that sell products to consumers (A)	2	Only two categories covered	The ways in which (B) producers sell to consumers (A)	2	Only two categories covered	Stages a product passes through (B)	1	A bit vague but BOD for ‘stages’	Selling products to consumers (A)	1	Again a bit vague but fits the A category	The production process	0	No understanding shown	3
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1(b)(i)	Calculate the profit CE will make from production line B if it sorts, packages and sells 150 000 eggs in a month.	4												
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	NB Can award a mark for OFR where relevant													
	Profit = (P × Q) – ((VC × Q) + FC)) or TR – TC or TR – (TVC + TFC)													
$\frac{150\,000}{6\text{ per box}} = 25\,000\text{ boxes}$														
25 000 × \$0.45 = \$11 250 (TVC)														
$\frac{\$10\,000}{2} = \5000 (TFC)														
\$0.90 × 25 000 = \$22 500 (TR)														
\$22 500 – (\$11 250 + \$5000) = \$6250														
Correct answer is \$6250														
NB Formulae can be implied through use of relevant figures														

Question	Answer			Marks
1(b)(i)	Common incorrect answers			
	Answer	Mark	Rationale	
	$22\,500 - (11\,250 + 10\,000) = 1250$ (OFR)	3	Correct calculation of TR and TVC but didn't divide FC/2 but under OFR rule mark for the final answer	
	Profit = TR-TC (1) $= (0.90 \times 150\,000) - ((0.45 \times 150\,000) + 5000 (1)) = 62\,500$ (OFR)	3	Correct formula and calculation of TFC but didn't divide eggs/6 to arrive at boxes but under OFR rule mark for the final answer as this is the correct product of their calculation	
	$22\,500 - 16\,250$	3	Correct formula implied (1) Correct calculation of TR (1) and TC (1)	
	Profit = TR – TC (1) $= (0.90 \times 150\,000) - ((0.45 \times 150\,000) + 10\,000) = 57\,500$ (OFR)	2	Correct formula but didn't divide FC/2 and didn't divide eggs/6 to arrive at boxes but under OFR rule mark for the final answer as this is the correct product of their calculation	
	$28\,500 - 25\,300 = 3200$ (OFR)	2	This is both production lines so 1 mark for correct (implied) formula and OFR for answer as this is the correct product of their calculation	
	Profit = TR – TC	1	Correct formula	
	TR = P × Q	1	Correct formula for TR	
	62 500	0	No working to show how arrived at this answer	
	<u>1250</u>	0	No working to show how arrived at this answer	

Question	Answer	Marks																						
1(b)(ii)	<p>Explain <u>one</u> problem of CE's allocation of fixed costs.</p> <table><tr><th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr><tr><td>2 (APP)</td><td>Explanation of a problem of allocating fixed costs for CE in context</td><td>2</td></tr><tr><td>1 (K)</td><td>Identification of a problem with allocating fixed costs</td><td>1</td></tr><tr><td>0</td><td>No creditable content</td><td>0</td></tr></table> <p>Content</p> <ul style="list-style-type: none">• The two production lines have different revenues - \$0.04 per egg (A) compared to \$0.15 per egg (B) – should both lines pay the same.• Production line B has a much larger gross profit margin (50% compared for B to 32.5% for A) – paying the same fixed costs may make production line A seem unprofitable.• Production line A would seem to have less processing (no sorting, bigger quantities) so should it need to pay the same as line B?• We do not know how many eggs are processed by each line so it is difficult to know if the allocation is appropriate.• We do not know how employees are paid, could be salaries, so line B has more employees so higher costs <p>ARA</p> <p>Example of how responses should be marked</p> <table><tr><th>Identification of a problem (K) (1 mark)</th><th>Explanation of a problem in context (APP) (2 marks)</th></tr><tr><td>The two lines do not have the same level of output so allocation unfair</td><td>May be unfair if the two lines have different outputs but we don't know how many eggs each line produces</td></tr><tr><td>One line might have higher fixed costs than the other, e.g. salaries</td><td>Employees may be paid a salary and line B has more employees so could have higher fixed costs</td></tr><tr><td>One line could have less processes than the other</td><td>Line A has less processing as they don't have to sort into sizes so unfair that they have the same fixed costs as line B</td></tr><tr><td>Not accurate</td><td>CE have not identified relevant fixed costs for each line, just divided total fixed costs between the two lines</td></tr></table>	Level	Knowledge and Application	Marks	2 (APP)	Explanation of a problem of allocating fixed costs for CE in context	2	1 (K)	Identification of a problem with allocating fixed costs	1	0	No creditable content	0	Identification of a problem (K) (1 mark)	Explanation of a problem in context (APP) (2 marks)	The two lines do not have the same level of output so allocation unfair	May be unfair if the two lines have different outputs but we don't know how many eggs each line produces	One line might have higher fixed costs than the other, e.g. salaries	Employees may be paid a salary and line B has more employees so could have higher fixed costs	One line could have less processes than the other	Line A has less processing as they don't have to sort into sizes so unfair that they have the same fixed costs as line B	Not accurate	CE have not identified relevant fixed costs for each line, just divided total fixed costs between the two lines	2
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Question	Answer					Marks
1(c)	Analyse <u>two</u> ways in which CE adds value to its products.					8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks	
	2b	Shows understanding of two ways in which CE adds value to its products in context	4	Good analysis of two ways in which CE adds value to its products in context	4	
	2a	Shows understanding of one way in which CE adds value to its products in context	3	Good analysis of one way in which CE adds value to its products in context	3	
	1b	Shows knowledge of two ways of adding value	2	Limited analysis of two ways in which CE adds value to its products	2	
	1a	Shows knowledge of one way of adding value	1	Limited analysis of one way in which CE adds value to its products	1	
	0	no creditable content			0	
	Content <ul style="list-style-type: none">• Packaging (boxes and trays) – a cost for the firm, but has a double benefit to consumer market – protects and advertises.• Sorting – consumers obviously see value in different sized eggs and therefore CE can probably have higher prices for large eggs and therefore gain more profit.• Money back guarantee – little cost for the firm but builds up trust for the brand.• Branding – food product so trust in the brand will be important.• Convenience – availability through retailers for the consumer market – more likely to purchase than coming to the farm.• Best before date – both in consumer and producer markets this will help to avoid wastage when purchased and again builds trust in the brand.					

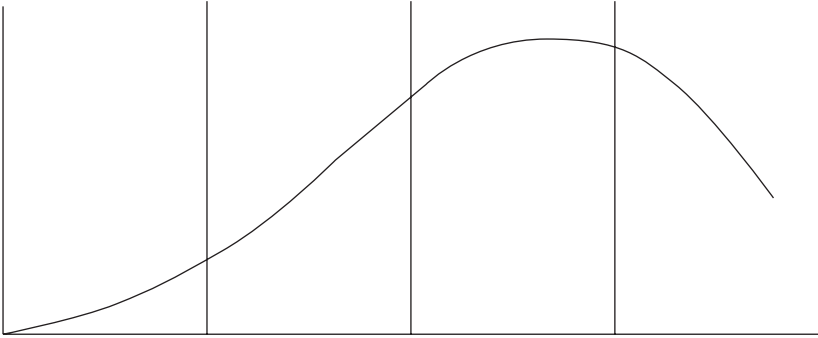
Question	Answer			Marks
1(c)	ARA			
	Example of a way (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	
	Branding	CE has built a brand with a reputation for high quality eggs	customers are prepared to pay higher prices for a quality product (AN) which means that CE can charge a premium price for the eggs therefore increasing the added value resulting in higher profits (DEV)	
	Increase the price whilst keeping costs the same	The costs of production are the same for each box but CE could charge more for the larger eggs	as customers are getting more egg in the larger sizes they won't mind paying a higher price (AN). This is also a way of segmenting their market into those who will only pay a lower price compared to those who will pay a higher price therefore maximizing CE's revenue from each segment (DEV)	
	Decrease costs whilst keeping price the same	CE could use cheaper packaging for the eggs by e.g. using cheaper materials in the boxes and trays	This could damage their reputation for quality (AN) and customers may stop buying the eggs and buy those of CE's competitors instead, therefore reducing the revenue CE receives (DEV)	

Question	Answer				Marks
1(d)	Evaluate the likely impact on the stakeholders of CE of the planned expansion.				11
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified evaluation based on argument in context	7	
			Developed evaluation based on argument in context	6	
			An evaluative statement based on argument in context	5	
	Shows understanding of more than one stakeholder in context	4	Argument based on an impact of the planned expansion on two (or more) stakeholders of CE	4	
	Shows understanding of one stakeholder in context	3	Argument based on an impact of the planned expansion on one stakeholder of CE	3	
	Shows knowledge of more than one stakeholder	2	Limited analysis of an impact of expansion on two (or more) stakeholders	2	
	Shows knowledge of one stakeholder	1	Limited analysis of an impact of expansion on one stakeholder	1	
	Content <ul style="list-style-type: none"> Lian (owner) – Lian may need to fund the investment but the reward of more sales should outweigh this cost. May depend on the market growth of the retail market. Employees – Expansion is likely to make the current employees feel more secure – some may get promoted to supervise the new production line or training new workers. 				

Question	Answer	Marks										
1(d)	<ul style="list-style-type: none">• Consumers – More retail eggs may make CE’s products more accessible, which is good for the customers. The extra investment may be recouped with higher prices, alternatively in the long run, economies of scale may lead to lower average costs/prices• Local residents – more noise, pollution – might reduce house prices. More trucks picking up eggs?• Business customers – Will the allocated fixed costs increase on Production Line A, increasing costs/prices on the eggs – alternatively there could be savings from economies of scale passed on to business customers.• Shareholders – Might be asked to invest more to fund the expansion or the costs of the expansion could increase costs and reduce dividends.• Competitors – CE’s expansion will mean that they can supply more to the market which could reduce the demand for competitors’ eggs. <p>ARA</p> <p>An example of how an answer could develop and how it should be annotated.</p> <table><tr><th>K</th><th>APP</th><th>AN</th><th>DEV</th><th>EVAL</th></tr><tr><td>Owner</td><td>Lian the owner</td><td>Needs a loan to finance the expansion</td><td>The new product line will require investment in more machinery and more employees. The employees will need to be trained. This might mean that Lian will need a bank loan, which will increase the costs and possibly reduce profit.</td><td>However, the profit from the new production line should outweigh the costs (EVAL) and allow greater distribution of the product thereby increasing market share and revenue (EVAL) so the owner will feel the greater impact from the expansion (EVAL)</td></tr></table>	K	APP	AN	DEV	EVAL	Owner	Lian the owner	Needs a loan to finance the expansion	The new product line will require investment in more machinery and more employees. The employees will need to be trained. This might mean that Lian will need a bank loan, which will increase the costs and possibly reduce profit.	However, the profit from the new production line should outweigh the costs (EVAL) and allow greater distribution of the product thereby increasing market share and revenue (EVAL) so the owner will feel the greater impact from the expansion (EVAL)	
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Question	Answer					Marks
1(d)	ARA An example of how an answer could develop and how it should be annotated.					
	K	APP	AN	DEV	EVAL	
	Customer	CE have two types of customers – the industrial market and the consumer market and are to expand to retailers	Expanding to retailers will be more convenient for the customer.	Customers can get their eggs closer to home, which will cut down on travel time and cost as they no longer have to go to the farm but still can get high quality fresh eggs.	However the eggs may increase in price (EVAL) as the retailer will add a mark-up to the cost to them so customers may still travel to the farm to get the lower price (EVAL) therefore not as great an impact on the customer (EVAL)	

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2(a)(i)	<p>Define the term ‘overdraft’ (line 21).</p> <table><tr><th>Knowledge</th><th>Marks</th></tr><tr><td>A correct definition</td><td>2</td></tr><tr><td>A partial, vague or unfocused definition</td><td>1</td></tr><tr><td>No creditable content</td><td>0</td></tr></table> <p>Content A banking facility which allows a person/business to go below zero in their account. In essence, money has been lent to the person/business. The amount borrowed is controlled by the overdraft holder – they take what they need as they need it – usually a short-term source of finance</p> <p>Award one mark for each element of a correct definition:</p> <ul style="list-style-type: none">• Short term source of finance• Often high rates of interest• Flexible (can be used when needed)• Allows an account to go below zero• Helps solve cash-flow problems• Current liability <table><tr><th>Exemplar</th><th>Mark</th><th>Rationale</th></tr><tr><td>A flexible (1) short term source of finance (1)</td><td>2</td><td>two elements</td></tr><tr><td>A business can take more money out of their bank account than they have in it (1) to help with cash flow problems (1)</td><td>2</td><td>two elements</td></tr><tr><td>A person can take more money out of their bank account than they have in it</td><td>1</td><td>Only one element</td></tr><tr><td>A flexible source of finance</td><td>1</td><td>Only one element</td></tr><tr><td>A source of finance</td><td>0</td><td>Does not distinguish an overdraft from other sources of finance</td></tr><tr><td>A loan from the bank</td><td>0</td><td>Again does not distinguish from a bank loan</td></tr></table>	Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Mark	Rationale	A flexible (1) short term source of finance (1)	2	two elements	A business can take more money out of their bank account than they have in it (1) to help with cash flow problems (1)	2	two elements	A person can take more money out of their bank account than they have in it	1	Only one element	A flexible source of finance	1	Only one element	A source of finance	0	Does not distinguish an overdraft from other sources of finance	A loan from the bank	0	Again does not distinguish from a bank loan	2
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2(a)(ii)	<p>Explain the term ‘maturity in the product life cycle’ (lines 10–11).</p> <p>Award one mark for each point of explanation:</p> <table border="1"> <thead> <tr> <th></th><th>Rationale</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>C</td><td>Example or some other way of showing good understanding, i.e. point to start extension strategy, sales start to decline after maturity stage</td><td>1</td></tr> <tr> <td>B</td><td>Lack of growth, slow or no growth</td><td>1</td></tr> <tr> <td>A</td><td>Sales at highest point/maximum sales/product life cycle peaks</td><td>1</td></tr> </tbody> </table> <p>Content The maturity phase of the plc is when sales are at their highest and growth has slowed or stopped. Sales may start to decline after this. The diagram below could get all 3 marks as it shows sales peaking in the maturity stage, sales growth slowing, then declining.</p> <p>Product life cycle</p>  <p>introduction growth maturity decline</p> <p>ARA</p> <table border="1"> <thead> <tr> <th>Answer</th><th>Mark</th><th>Rationale</th></tr> </thead> <tbody> <tr> <td>Sales are at their highest (A) but growth starts to slowdown (B) and is followed by the decline stage (C)</td><td>3</td><td>A + B + C</td></tr> <tr> <td>Sales growth slows (B) and firms use extension strategies (C)</td><td>2</td><td>B + C</td></tr> <tr> <td>Stage of maximum sales (A) and then the product enters the decline stage (C)</td><td>2</td><td>A + C</td></tr> <tr> <td>Sales are at their highest (A) but stop growing (B)</td><td>2</td><td>A + B</td></tr> <tr> <td>Point of peak sales (A)</td><td>1</td><td>A</td></tr> </tbody> </table>		Rationale	Marks	C	Example or some other way of showing good understanding, i.e. point to start extension strategy, sales start to decline after maturity stage	1	B	Lack of growth, slow or no growth	1	A	Sales at highest point/maximum sales/product life cycle peaks	1	Answer	Mark	Rationale	Sales are at their highest (A) but growth starts to slowdown (B) and is followed by the decline stage (C)	3	A + B + C	Sales growth slows (B) and firms use extension strategies (C)	2	B + C	Stage of maximum sales (A) and then the product enters the decline stage (C)	2	A + C	Sales are at their highest (A) but stop growing (B)	2	A + B	Point of peak sales (A)	1	A	3
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2(c)	Analyse one advantage and one disadvantage to FF of using job production for its flower arrangements.				8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
	2b	Shows understanding of two elements of job production in context	4	Good analysis of one disadvantage and one advantage of using job production in context	4
	2a	Shows understanding of one element of job production in context	3	Good analysis of one disadvantage or one advantage of using job production in context	3
	1b	Shows knowledge of two elements of job production	2	Limited analysis of one disadvantage and one advantage of using job production	2
	1a	Shows knowledge of one element of job production	1	Limited analysis of one disadvantage or one advantage of using job production	1
	0	No creditable content			0
Content Elements of job production: <ul style="list-style-type: none">• Unique• Hand made• Made to order/bespoke• One at a time• Each is finished before the next is started• Often labour intensive• Requires skilled labour• Satisficing customer – Allows FF to charge higher prices and retain loyal customers• Premium prices – FF can charge a higher price for customised flower arrangements					

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2(c)	<p>Must be advantage and disadvantage to FF</p> <p>Advantages</p> <ul style="list-style-type: none"> • USP– already in a competitive market so specialist flower arrangements could give FF a USP • Increased brand reputation– FF producing specialist flower arrangements which are ready in 24 hours which will be attractive to customers <p>Disadvantages</p> <ul style="list-style-type: none"> • Lower productivity - increased costs of production/slower speed of production compared to batch production • Labour intensive – higher labour costs • Cost – Already got decreasing working capital, no cash and an overdraft – job production is more expensive than batch • Difficult future recruitment – higher level of skills needed because of the specialist nature of job production • Training – job production is highly skilled and any new employees would require specialist training, increasing costs <p>NB annotate advantages on the LHS and disadvantages on the RHS</p> <p>ARA</p> <p>Advantage</p> <table border="1"> <thead> <tr> <th>Example of an element (K)</th><th>Examples of application/context (APP)</th><th>Examples of possible analysis (AN + DEV)</th></tr> </thead> <tbody> <tr> <td>Made to customer order</td><td>Flowers are arranged according to customer internet order</td><td>Customer satisfaction (AN) if customers are satisfied with the product they will repeat order on other occasions which will increase customer loyalty, increase FF's revenue and lead to higher profit (DEV)</td></tr> </tbody> </table> <p>Disadvantage</p> <table border="1"> <thead> <tr> <th>Example of an element (K)</th><th>Examples of application/context (APP)</th><th>Examples of possible analysis (AN + DEV)</th></tr> </thead> <tbody> <tr> <td>Expensive</td><td>Job production means that each worker does a flower arrangement each time so the process is labour intensive</td><td>leading to higher labour costs (AN). This will reduce FF's profits or could mean that they have to charge a high price and could reduce FF's competitiveness and market share (DEV)</td></tr> </tbody> </table>	Example of an element (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	Made to customer order	Flowers are arranged according to customer internet order	Customer satisfaction (AN) if customers are satisfied with the product they will repeat order on other occasions which will increase customer loyalty, increase FF's revenue and lead to higher profit (DEV)	Example of an element (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	Expensive	Job production means that each worker does a flower arrangement each time so the process is labour intensive	leading to higher labour costs (AN). This will reduce FF's profits or could mean that they have to charge a high price and could reduce FF's competitiveness and market share (DEV)	
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2(d)	Recommend non-financial motivators which FF could put in place to motivate the employees who make the low-price flower arrangements. Justify your recommendation.				11
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified recommendation(s) based on argument in context	7	
			Developed recommendation(s) based on argument in context	6	
			An evaluative recommendation/ statement based on argument in context	5	
	Shows understanding of two non-financial motivators in context	4	Argument based on the use of two (or more) non-financial motivators in context	4	
	Shows understanding of one non-financial motivator in context	3	Argument based on the use of one non-financial motivator in context	3	
	Shows knowledge of two non-financial motivators	2	Limited analysis of the use of two (or more) non-financial motivators	2	
	Shows knowledge of one non-financial motivator	1	Limited analysis of the use of one non-financial motivator	2	
	Content <ul style="list-style-type: none"> • Training/development – as this is a lower skilled job, training is unlikely to be successful and may de-motivate if the skilled workers feel patronised by the new production process. • Induction – Not about new workers, so the current workforce is unlikely to be motivated by induction. • Opportunities for promotion – this may be a motivator if there are more supervision opportunities on the product production line • Status – Will the workers who remain on the job production line feel superior to the others. This could have two effects – to motivate the job production workers and demotivate the batch production workers • Job re-design – the workers could be involved in re-designing the new production process – this may motivate them and empower them 				

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2(d)	<ul style="list-style-type: none">Team working – The job production process was working alone, but there may be motivation from working as a group on batch production. Link to Herzberg, Maslow etc.Empowerment – workers may be given some control over their working practices.Participation – Could workers be given some input into the decision making at the firm?Fringe benefits/perks – Increased holidays, perks etc. may make up for reduced commission from the lower price flowers.Team away days – Allows team bonding which could help improve job satisfactionJob enrichment/job enlargement/job rotation – Increase skills/empowerment/interest <p>ARA</p> <p>An example of how an answer could develop and how it should be annotated.</p> <table><tr><th>K</th><th>APP</th><th>AN</th><th>DEV</th><th>EVAL</th></tr><tr><td>Team away day</td><td>The low-price flower arrangements will be produce using batch production. This requires team work</td><td>So an away day could help with team bonding</td><td>This will increase loyalty to other members of the team. Employees will not want to let the team down so will work harder and less likely to take time off e.g. in sick days. Productivity will be higher and cost, therefore lower leading to higher profit.</td><td>Job rotation is more effective than a team away day (EVAL) because the employee can have better skills through higher training (EVAL) and won't disrupt the production or require time away from the job (EVAL)</td></tr></table> <p>ARA</p> <p>An example of how an answer could develop and how it should be annotated.</p> <table><tr><th>K</th><th>APP</th><th>AN</th><th>DEV</th><th>EVAL</th></tr><tr><td>Job rotation</td><td>There are 10 flower arrangements to be made so employees could rotate between each arrangement</td><td>Improving their skills</td><td>Higher level of skills will make employees feel better trained. If a worker is absent from one arrangement can easily be covered by other employees if demand is greater for that particular arrangement so less disruption to the production process.</td><td></td></tr></table>	K	APP	AN	DEV	EVAL	Team away day	The low-price flower arrangements will be produce using batch production. This requires team work	So an away day could help with team bonding	This will increase loyalty to other members of the team. Employees will not want to let the team down so will work harder and less likely to take time off e.g. in sick days. Productivity will be higher and cost, therefore lower leading to higher profit.	Job rotation is more effective than a team away day (EVAL) because the employee can have better skills through higher training (EVAL) and won't disrupt the production or require time away from the job (EVAL)	K	APP	AN	DEV	EVAL	Job rotation	There are 10 flower arrangements to be made so employees could rotate between each arrangement	Improving their skills	Higher level of skills will make employees feel better trained. If a worker is absent from one arrangement can easily be covered by other employees if demand is greater for that particular arrangement so less disruption to the production process.		
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