CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/43**

Paper 4 Business Strategy **May/June 2024**

MARK SCHEME

Maximum Mark: 40

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.

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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.

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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.

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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).

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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.

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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.

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Please refer to this grid for the marking of each question.

Level	AO1 Knowledge and understanding 3 marks	AO2 Application 2 marks	AO3 Analysis 8 marks	AO4 Evaluation 7 marks
	Description	**Description**	**Description**	**Description**
3			**7–8 marks** **Developed analysis of the overall strategy** that identifies connections between causes, impacts and/or consequences.	**6–7 marks** **Effective evaluation** A developed judgement/conclusion is made in the business context that draws together developed evaluative comments which balance some key arguments in the business context.
2	**2–3 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.	**4–6 marks** **Developed analysis of individual strategic element(s)** that identifies connections between causes, impacts and/or consequences.	**3–5 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.	**1–3 marks** **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.

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Question	Answer	Marks
1	**Evaluate KF's approach to human resource management (HRM) between 2018-2023.** **Please refer to the marking grid at the start of the mark scheme.** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Knowledge (max 1 mark) can be awarded for any relevant business knowledge about human resources, including: • Purpose and roles of HRM • Workforce planning • Recruitment and selection • Redundancy and dismissal • Morale and welfare • Training and development • Management and workforce relations • Motivation as a tool of management and leadership • Motivation theories • Motivation in practice • Management and managers • Organisational structure • Business communication • Leadership • The difference between hard and soft HRM • Flexible working contracts: advantages and disadvantages of temporary contracts or flexible contracts including zero hours contracts, part-time, full-time, annualised hours, flexi-time, home working, shift working, job sharing, compressed working hours, the gig economy • The measurement, causes and consequences of poor employee performance • Strategies for improving employee performance • Management by objectives • The changing role of IT and AI in HRM. Knowledge and understanding (max 2 marks) DEV can be awarded for any relevant business knowledge and understanding about marketing strategy.	**20**

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Question	Answer	Marks
1	**AO2 Application** Application (max 1 mark) can be awarded for any relevant use of context linked to KF's Human Resources. Application (2 marks) can be awarded for **applying knowledge of HR strategy,** to KF between 2018 and 2023: • Small staff – one office manager, 15 kitchen support workers • Use of full-time contracts and flexi-time contracts • Objectives of growth and profit maximisation • New delivery service – 45 riders hired, increasing to 75 • Use zero-hours contracts • Use of tracking software for staff performance • Tracks speed, efficiency of deliveries • Unreasonable time targets • Bad timing within the app • Bonuses and performance judged unfairly • Compliance with new legislation banning zero-hours contracts • Staff moved to self employed and will operate as part of the gig economy • Use of performance data to judge staff for restructure.	

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Question	Answer	Marks
1	**AO3 Analysis** Analysis is likely to be based on KF's objectives in 2018 to exploit rapid growth in the sector and maximise profits. Analysis of the impact of KFs HR strategy (A1 and A2 and A3) including: • KF operates a simple organisation structure that supports the restaurants renting the space – keeping their costs low to aid profit maximisation and growth. • Kitchen support workers are supplied on zero-hours contracts – keeping costs low on wages. • The launch of their own delivery service is easy through the use of zero-hours contracts meaning they do not have to pay full-time wages – keeping staff costs low. • Expansion (and contraction) of the business has been easy due to the flexible working practices KF uses – it is easy to reduce or increase hours/contracts. • By using zero-hours contracts KF doesn't have to provide paid holiday or benefits – again saving KF costs and helping keep profits high. • Office manager will spend a lot of time planning the staff on zero-hours contracts – matching the demand from restaurants to the staff available. • The use of the zero-hours contracts means that calculating the pay for these workers takes longer – this needs to be accurate. • The delivery app provides key performance indicators that Liam and Samir can use to evaluate the performance of their riders – this can then be used to help decide who continues to be used for work. • The new technology in the app may not be working properly or staff may not be using it properly – This may need further investigation – leading to costs of redevelopment and/or training for staff. • The problems with the app may be causing issues with business reputation – leading to further costs. • KF are complying with the law change on zero-hours contracts – which has implications on the current staff. • Once the new legislation starts, KF will have much less responsibility for the staff – decreasing the cost of running the business. • Once riders are self-employed, albeit with an insecure income, what will the impact be on customer service and efficiency of deliveries – will this increase or will the riders not care as much?	

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Question	Answer	Marks
1	**AO4 Evaluation** Evaluation (N1 and N2 and N3) including: Evaluation will largely depend on the points raised in the analysis. • The use of zero-hours contracts has helped KF keep costs down but it may cause motivation issues with staff if there are not enough hours for people to earn 'full-time' money. • Aiming for profit maximisation has kept Liam and Samir focused on lower costs – decisions about ZHC, the tracking app, the business model have all been designed to keep costs low and make this objective achievable. But has the pursuance of this meant HR has been very 'hard'? • The use of the gig economy means that expansion is much easier for KF but they have little control over who and how many riders are available at any one time, this might upset the restaurants who may not have a delivery rider available to deliver food. • The issues with the app are causing problems with staff – how useful is the technology if it is inaccurate? Will this mean less riders log on – they are not employees, so they don't have to. This could lead to KF not having enough riders and having to use a third party (Deliveroo for example). • KF are responding to the change in law but this is going to increase their costs – affecting the prices for its clients – and will require a new training structure and recruitment process this will also influence its profit maximisation objective. • KF approach to HR has been successful in keeping the costs low. How they approach the HR from 2023 onwards may need to change given the potential growth strategies. Accept all valid responses.	

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Question	Answer	Marks
2	**Advise KF whether using Ansoff's matrix is sufficient to develop a successful growth strategy.** **Please refer to the marking grid at the start of the mark scheme** **Indicative content** Responses may include: **AO1 Knowledge and understanding** Knowledge [K] (max 1 mark) can be awarded for any relevant business knowledge about business strategy and Ansoff's Matrix as well as the alternative strategies including: • The meaning and purpose of business strategy • The meaning and purpose of strategic management: analysis, choice and implementation • Approaches to develop business strategy, including: – blue ocean strategy – scenario planning – PEST analysis – Porter's five forces – core competence framework – SWOT – force field analysis – decision trees. Award [DEV] for any explanation of relevant business knowledge, up to a max of 2 marks.	**20**

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Question	Answer	Marks
2	**AO2 Application** Application (1 mark) can be awarded for **applying knowledge of Ansoff's matrix/business strategy,** to KF. Application (2 marks) can be awarded for **applying knowledge of HR strategy,** to KF between 2018 and 2023: • Delivery market is shrinking back to pre-pandemic levels, limiting growth opportunities. • Changes in legislation change the model of using zero-hours/gig-economy workers. • Any element of the case study/appendices including: – Small staff – one office manager, 15 kitchen support workers – Use of full-time contracts and flexi-time contracts – Objectives of growth and profit maximisation – New delivery service – 45 riders hired, increasing to 75 – Use zero-hours contracts – Use of tracking software for staff performance – Tracks speed, efficiency of deliveries – Unreasonable time targets – Bad timing within the app – Bonuses and performance judged unfairly – Compliance with new legislation banning zero-hours contracts – Staff moved to self employed and will operate as part of the gig economy – Use of performance data to judge staff for restructure.	

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Question	Answer	Marks
2	**AO3 Analysis** Analysis of the usefulness of Ansoff's matrix to help KF develop a growth strategy (A1 and A2 and A3) including: • The current market for deliveries is shrinking – will Ansoff lead them to discuss options that are not viable when other options may need exploration? • What is Liam and Samir's attitude to risk? – This may fuel which direction they choose to go in. • Where will financing come from? – The business has rationalised recently so do they have the money to expand? Candidates may offer alternative approaches: • May want to use the blue ocean strategy to identify a market where they can dominate – as they did when they originally set up the KF/delivery business. • Scenario planning could help map what may happen with the current business model – to help identify where they should move to. • SWOT analysis may help identify strengths that can be transferred to a new project – whilst highlighting the problems they may face in a different model to how they currently operate. • PEST analysis could help understand the changing environment after the global pandemic – which has changed many elements of this. • Five forces would help understand the rivalry they face in a very crowded food/restaurant/takeaway market. • Core competency framework would allow them to identify what they do well and could transfer to any growth option chosen – especially if this is not an expansion of the current food delivery model. • Force field analysis could help Liam to understand the constraining and driving forces in developing the new strategy – This may help him to identify actions that need to be taken to reduce constraining forces. • Decision trees could be used to help make a quantitative led decision between the different options for expansion – but would need to have much more financial information to be worthwhile.	

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Question	Answer	Marks
2	**AO4 Evaluation** Evaluation will largely depend on the points raised in the analysis of the approaches needed to develop the new strategy other than Ansoff's Matrix. Evaluation (N1 and N2 and N3) including: • Candidates must state that Ansoff's Matrix is/isn't sufficient or acknowledge that something else is better for first N1 mark. • Each option requires much more data and research to understand the risk, financial constraints and success probabilities to help make the final decision. • Should KF be using a combination of other methods – decision trees to help make the decision, core competency framework to identify strengths to transfer to new business etc.? • How important is growth to the new strategy moving forward, do they need to consolidate after the pandemic and focus in on what they do best given new HR implications? • Is the whole structure of their business model changing given changes to ZHC legislation – is this model even still viable? • Advice to KF should make clear whether Ansoff's matrix is sufficient or whether it should be supported by other models, and if so which? Accept all valid responses.	

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