Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Short Answer and Essay **May/June 2022**

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.

Cambridge International is publishing the mark schemes for the May/June 2022 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

© UCLES 2022

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.

© UCLES 2022

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.

© UCLES 2022

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.

© UCLES 2022

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 of 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'.)
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.

Annotation

1 Every question must have at least one annotation, e.g. <NAQ> if it is an NR and <X> or <seen> if 0 marks are awarded.
2 Every page of a script must have at least one annotation, e.g. <BP> for a blank page.

© UCLES 2022

9609 Paper 1 Specific Marking Principles

Marks are awarded for each answer when the following Assessment Objectives (AO) are met. The mark scheme for each answer indicates when and how each AO can be met.

AO1 – Demonstrate knowledge and understanding of business concepts.
The focus in ***Section A*** of the Examination Paper is on this first AO.

(a) **Questions 1**, **2**, and **4** will meet this AO using definitions and explanations of business concepts.
(b) **Question 3** provides an opportunity for the application and a more developed explanation of a business concept. The 4–5-mark level specifically provides for this more developed explanation.

In ***Section B*** of the Examination Paper

(a) **Questions 5**, **6**, and **7** still require supporting Knowledge and Understanding (AO1), but there is now a focus on **Application (AO2)**, **Analysis (AO3)**, and **Evaluation (AO4)**. These skills are set out below:

AO2 – Apply knowledge and understanding of business concepts to general and specific situations and contexts.

(a) Where a specific business or context is named in the question then the candidate is required to relate answers specifically to this business or context.
(b) It is not sufficient to merely repeat the name of the business or the context.

AO3 – Analyse business problems, issues, situations and contexts, through a discussion and interpretation of evidence, debate, theory, impact and consequence, to produce reasoned and coherent arguments.

(a) Level 3 answers will likely use terms such as – because, leads to, therefore, so that, as a result, consequently – thereby showing analytical development for AO3.

AO4 – Limited Evaluation is given

(a) When an attempt is made, (probably in a concluding section of an answer), to address and comment on the value and validity of the previous analysis.
(b) These comments may be quite brief and be more opinionated than reasoned.
(c) A mere concluding summary of preceding analysis is, however, <u>not</u> evaluation.

AO4 – Evaluation occurs

(a) When an answer comments on the validity/significance of previous analysis in an evidence based and reasoned way.
(b) This often leads to the presentation of appropriate substantiated judgements, decisions, or recommendations.

© UCLES 2022

9609 Paper 11, 12, 13 and 14

Annotations and their Use

Annotation	Use
✓	As an indication of relevant and rewardable content. Better to put these in the body of the answer.
NAQ	Used when the answer or parts of the answer are not answering the question asked.
BOD	Used when the benefit of the doubt is given in order to reward a response.
TV	Used when parts of the answer are considered to be too vague.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates that there is specific application to the context of the question.
AN	Indicates where the answer has demonstrated analysis.
EVAL	Indicates where the answer has demonstrated evaluation.
REP	This indicates where content has been repeated.
SEEN	Indicates that content has been recognised but not rewarded.

© UCLES 2022

Question	Answer	Marks
1(a)	**Define the term 'piece rate'.** Piece rate payments are payments made to employees (1) based on the number of units produced by each individual (1) Payment by results (1) Clear definition of 2 of the factors listed above 2 marks Partial definition of 1 of the factors listed above 1 mark No creditable content 0 marks	**2**
1(b)	**Explain <u>two</u> advantages to a business of using a time based payment method.** *The question asks for advantages to a business. Do not award marks for answers which are related solely to an employee.* Answers could include: Time based payments are made to employees based on the number of hours worked within a given time period. • A business only pays for the hours worked, unlike for an employee who receives a fixed payment per week or month regardless of the length of time worked • This method can avoid some of the quality issues that can arise when using the e.g. piece rate payment method – fast work can lead to poor quality • It is easy for a business to calculate – it reduces administrative costs/time for a business • A business can set the number of hours per week that should be worked and can therefore organise the number of workers in terms of when and how long they are required and know plan its costs • Productivity may increase when a business requires it if workers are willing to work overtime to get more money • Productivity may increase because it improves motivation in employees; encourages them to work harder for a business Accept any other valid response. Clear explanation of **two** advantages to a business of using a time based payment method 3 marks Clear explanation of **one** advantage to a business of using a time based payment system or a partial explanation of **two** advantages 2 marks Partial explanation of **one** advantage or a list of **two** advantages 1 mark No creditable content 0 marks	**3**

Question	Answer	Marks
2(a)	**Define the term 'franchise'**. A franchise is a business that uses the name/logo of an existing business (2) A legal contract between two businesses for one business to operate as a franchise (2) The process of a franchisor selling the rights of its business to a franchisee (2) Example of a franchise, e.g. McDonald's, KFC (1) Clear definition 2 marks Partial definition 1 mark No creditable content 0 marks	**2**
2(b)	**Explain <u>two</u> advantages to a business of buying a franchise**. Answers could include: • The business can benefit from the reputation of the franchise giving a higher chance of success • Marketing/advertising costs may be spread between all franchisees and have national/wider coverage • Help and advice from the franchisor can be useful to a business new to the franchise (industry) or new to business ownership of any type • Increased chance of success because the product/service is established (known by customers) • Competition might be limited due to the franchisor restricting the setting up of another outlet in the same area • Opportunity for the franchisee to expand their business • Relations with suppliers already established Accept any other valid response. Clear explanation of **two** advantages to a business of buying a franchise 3 marks Clear explanation of **one** advantage or a partial explanation of **two** advantages 2 marks Partial explanation of **one** advantage or a list of **two** advantages 1 mark No creditable content 0 marks	**3**

Question	Answer	Marks
3	**Explain why a business manager needs to understand the difference between capital expenditure and revenue expenditure.** Answers could include: • Capital expenditure is money spent on the purchase of fixed assets such as premises and machinery. Items that will be in use for a long period (more than 1 year) which managers must plan for • Revenue expenditure is money used to pay for everyday running costs of a business, e.g., raw materials or components, tea or coffee for the canteen or paper for the offices. These items will be used in the short term and, even though lower value, must still be planned for • They should normally be funded differently; working capital / retained capital • Revenue expenditure recorded correctly allows a manager to accurately measure the cost of the day-to-day running of a business which is vital information in the early days of a business. • They are recorded on different financial documents: revenue expenditure is recorded in the Income Statement; capital expenditure is recorded in the Statement of Financial Position – managers use these documents to assess the financial situation of a business Accept any other valid response. Effective explanation of why a business manager needs to understand the difference between capital expenditure and revenue expenditure 4–5 marks Explanation of why a business manager needs to understand the difference between capital expenditure and revenue expenditure 2–3 marks Descriptive information about capital expenditure/revenue expenditure 1 mark No creditable content 0 marks	**5**

Question	Answer	Marks
4(a)	**Define the term 'price elasticity of demand'**. *Correct answers must refer to the responsiveness of the demand for a product.* Price elasticity of demand (PED) measures the degree of responsiveness of demand (1) to a change in the price of the product/service. (1) $\text{PED} = \frac{\%\text{ change in quantity of demand for a product}}{\%\text{ change in price of the product}}$ (2) Clear definition of 2 of the factors listed above or formula 2 marks Partial definition of 1 of the factors listed above 1 mark No creditable content 0 marks	**2**

Question	Answer	Marks
4(b)	**Explain <u>two</u> benefits to a business of knowing the price elasticity of demand of its products.** Answers could include: • Allows a business to anticipate the reaction of its customers to a change in price and to forecast the level of sales following a change in price • Pricing strategies (e.g. price discrimination) are influenced by an understanding of how demand might be affected by price changes • Maximises revenue, i.e. price inelastic – revenue rises when price of product increases; price elastic – revenue rises when price of product falls • Helps a business to decide on its pricing policy, e.g., a product with a PED greater than 1; a change in the price of the product would result in a percentage change in the level of demand which is higher than the percentage change in price. This might lead a business towards competitive pricing • A business can use the knowledge that demand for their product is inelastic to know that an increase in the price would lose proportionately fewer customers than the price increase. Businesses that provide goods that customers view as essential know that an increase in price will not harm demand significantly Accept any other valid response. Clear explanation of **two** benefits to a business of knowing the price elasticity of demand of its products 3 marks Clear explanation of **one** benefit to a business of knowing the price elasticity of demand of its products or a partial explanation of **two** benefits 2 marks Partial explanation of **one** benefit or a list of **two** benefits 1 mark No creditable content 0 marks	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
Analyse the advantages to a business of using mass customisation.
<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of the advantages to a business of using mass customisation</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of the advantages to a business of using mass customisation</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of the advantages to a business of using mass production/customisation</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of mass production/customisation</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>
Answers could include:

Knowledge and Understanding 2 marks
• Understanding of mass production
• Understanding of customisation

Application 2 marks
• Any reference to advantages of mass production/customisation in a manufacturing context

Analysis 4 marks
• Increases the ability of the business to satisfy customer needs; slight differences in products might more easily satisfy consumers
• Reduces the costs of customising products assuming that the volume is sufficiently high for each variation of the product
• The components/materials used in each variation will be the same or similar in most cases but still allow for some bulk-buying discounts
• The customisation of products is a strong marketing point which can be used to promote a business and its products
• This allows a business to differentiate itself from its competitors and therefore increase the strength of the brand of the product
• By responding to customer needs through the process of mass customisation a business might gain a better understanding of exactly what its customers want, and this might allow more focused product development

Accept any other valid response.
</td><td>8</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(b)</td><td>

Discuss the importance to a hotel of having effective inventory control.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of the importance to a hotel of having effective inventory control</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of the importance to a hotel of having effective inventory control</td><td>7–8</td></tr>
<tr><td>2</td><td>Analysis and application of a business having effective inventory control</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of inventory control</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and Understanding 2 marks
- Understanding of inventory control

Application 2 marks
- Reference of the control of inventory to the type of items to be found in a hotel such as, for example, food, bedding, towels, cleaning materials

Analysis 2 marks
- A suitable level of inventory is needed to satisfy customer needs, in this case guests in the hotel
- Most hotels serve meals and so the hotel will need to hold sufficient food supplies to provide meals to the guests as required
- Food stock will need to be carefully monitored to ensure that food is used within a suitable period. Food usually has a date by which it should be used (shelf life)
- A hotel will want to purchase its inventory at the best possible price but will have to be aware of the shelf life of the goods being purchased. Food not kept in the right conditions might cause illness to guests
- The reputation of hotels can depend on the quality of the food served
- Hotels also need to keep sufficient bedding and towels to adequately meet the needs of guests
- A sudden surge in demand for the services of the hotel must not leave the business unable to meet the needs of its guests therefore sufficient inventory must be held for that purpose

</td><td>12</td></tr>
</table>

Question	Answer	Marks
5(b)	**Evaluation 6 marks** Any judgements/conclusions can be made at any point in the essay not just in a concluding section. Judgements may be reached that: • Can the reputation of the business be ruined if goods are not stored in sufficient quantities and the hotel cannot meet the demands of customers? • Although many hotels will have a steady flow of guest bookings it can also be difficult to predict a sudden surge or slump in demand e.g., the coronavirus pandemic caused a collapse in bookings leaving hotels with inventory ready to meet the demand of guests who never arrived • Inventory control is not only about the quantity but equally importantly about the methods of storage used – cleaning materials will need to be stored safely (hazardous substances) but the most important are probably the food items which need to be stored correctly (perhaps refrigerated) and used in a timely manner • Businesses need to make a profit which can be aided by careful inventory control. • Other factors may be equally important such as quality of customer service given, sufficient well trained staff, it may depend on the type of hotel. • Can risk factors be planned for in terms of effective inventory control? Accept any other valid response.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6</td><td>

Discuss the importance of emotional intelligence to a manager of a luxury holiday resort.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>5</td><td>Effective evaluation of the importance of emotional intelligence to a manager of a luxury holiday resort</td><td>17–20</td></tr>
<tr><td>4</td><td>Limited evaluation of the importance of emotional intelligence to a manager of a luxury holiday resort</td><td>15–16</td></tr>
<tr><td>3</td><td>Good analysis of the importance of emotional intelligence to a manager of a (luxury) holiday resort</td><td>11–14</td></tr>
<tr><td>2</td><td>Limited analysis with application of the use of emotional intelligence to a business manager</td><td>5–10</td></tr>
<tr><td>1</td><td>Knowledge and understanding of emotional intelligence/manager</td><td>1–4</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Answers could include:

Accept answers that relate the discussion to luxury hotels rather than luxury holiday resorts.

Knowledge and Understanding 4 marks
- Knowledge of the elements of Goleman’s theory of emotional intelligence
- Candidates might list the four key competencies
- Knowledge of the role of a manager

Application 4 marks
- Appreciation of this situation being a luxury holiday resort/hotel where many employees will be in direct contact with the guests
- Recognising the need for empathy towards employees who, in turn, will need to show empathy towards the guests if they have a problem during their stay
- Reference to how elements of Goleman’s theory can be applied to the role of a manager of a luxury business

Analysis 6 marks
- The owners of a luxury holiday resort/hotel will require managers to recognise and understand the needs of both employees and guests. Such understanding is essential in emotional intelligence.

</td><td>**20**</td></tr>
</table>

Question	Answer	Marks
6	Analysis could include some development of the four key competencies: • **Self-awareness**: Being aware of and understanding their own emotions and how they might react when experiencing a particular emotion and how such reactions/behaviour might affect those around them • **Self-management**: Once managers understand their own behaviour, they must develop ways to manage and control their emotions in the workplace. Without the ability to do this they might cause an adverse reaction in their employees in stressful situations. – A negative work environment is likely to be created if managers cannot control their emotions – When difficult situations arise, managers can create or maintain a positive feeling among employees by demonstrating their own positive attitude and that they are in control of the situation – They must be able to recognise and assess risk and work to reduce the impact of any element of risk – Their behaviour must inspire confidence and trust in their employees if the luxury resort/hotel is to create the type of positive environment that guests would expect – Setting and achieving goals can also inspire other employees to work harder and to develop their own aspirations. • **Social skills**: Managers must be able to develop a good relationship with employees and customers and be able to understand and manage their emotions. – Each employee will have different needs – Managers must be able to recognise dissatisfaction among employees and/or customers and must be able/willing to understand why that dissatisfaction exists and then seek to resolve it. Anger, disappointment or dissatisfaction that is not recognised and resolved can lead to further deterioration of a bad situation – When employees feel that their emotions and needs are understood by their managers, they are more likely to have a positive relationship with the manager. • **Social awareness**: An ability to understand the emotions of their employees. – Successful managers will recognise that not all employees are motivated in the same way. Each employee might have a different level of aspiration – Managers need to recognise that each employee could have had or is having a different life experience or are at different stages of their working life which changes the level of aspiration and the ways in which they can be motivated eg money, status etc. • Discussion of how managers could understand what motivates their employees to work; what is important to their employees is likely to influence how the employees interact with the guests. The atmosphere created at the luxury resort for the guests is likely to be strongly influenced by the relationship between managers and employees • If managers have a high level of emotional intelligence, they are more likely to understand the needs of, not only their employees but also their guests. This should lead to guests having a more positive experience and therefore a higher level of satisfaction with their stay at the luxury resort/hotel	

Question	Answer	Marks
6	**Evaluation 6 marks** Any judgements/conclusions can be made at any point in the essay not just in a concluding section. • The importance of having a high level of emotional intelligence is probably stronger in a business situation where there is a lot of personal interaction. In a luxury hotel many employees will be in regular direct contact with guests • Each guest might also have a different level of expectation of their experience at the resort which again needs to be understood by the managers. It can be difficult to recognise and meet the needs of a wide variety of people and their expectations. • If managers can create a happy and relaxed atmosphere in the resort, guests are likely to be content with the experience. In order to achieve this the manager must rely on the employees who have contact with guests. Happy employees = happy guests. • However, some may argue that emotional intelligence is not necessary if the managers can ensure that employees do what they are asked. However, clear analysis of emotional intelligence is still essential to adopt this approach • In a luxury holiday resort/hotel, the expectations of guests will be high, and their demands might be difficult to meet. High standards that are expected by guests will require the highest level of performance from employees which is more likely to be achieved when they feel valued and understood by managers. A less luxurious resort/hotel might not present the same problems to management due to the expectations of guests perhaps being lower and therefore easier to achieve with a less positive workforce. • Most manager skills needed for success in this context come under the heading of emotional intelligence, but equally important might be inventory control, financial planning and creative service provision. Accept any other valid response.	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>7(a)</td><td>

Analyse the advantages to a business of using online advertising.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of the advantages to a business of using online advertising</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of the advantages to a business of using online advertising</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of the advantages to a business of using online advertising</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of online advertising</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and Understanding 2 marks
- Understanding that online advertising involves using the internet to make customers aware of the products that a business has available

Application 2 marks
- Making the link between advertising and the wider potential audience reached via the internet

Analysis 4 marks
- The possibility of reaching a much larger number of possible customers
- A business might also save on advertising costs; the cost of an advertisement on the internet is likely to be lower than for billboards, magazines, newspapers etc
- A business can reach customers who would not have been aware of its existence if not for the online advertising
- A business will be able to capture data about the number of people viewing the advertisement e.g. the geographical location of those people. This gives a business information that might be useful to future developments of the products/business
- Reaching more customers will hopefully lead to an increase in demand and therefore might enable expansion of a business or a move into new markets.

Accept any other valid response.

</td><td>8</td></tr>
</table>

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>7(b)</td><td>

Discuss the usefulness to a furniture retailer of using secondary market research when planning to enter a new market.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of the usefulness to a furniture retailer of using secondary market research when planning to enter a new market</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of the usefulness to a furniture retailer of using secondary market research when planning to enter a new market</td><td>7–8</td></tr>
<tr><td>2</td><td>Analysis and application of the use of secondary market research in a business</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of secondary market research/new markets</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content</td><td>0</td></tr>
</table>

Answers could include:

Knowledge and understanding 2 marks
- Clear understanding of what secondary market research is
- Candidates might also define what could be a new market.

Application 2 marks
- Appropriate reference to entering into a new market e.g. the new market could be a new geographical market or a new demographic i.e., age group or income level.
- Specific reference to a furniture product e.g. chairs/tables.

Analysis 2 marks
- Secondary market research might not be completely relevant to a business.
- The collected data might not be directly relevant to furniture or specifically to the type/style of furniture being offered by this business
- The data has, by definition, been collected for another purpose and might not be relevant to this business proposal
- Managers need to know how old the market research information is
- A business might not be offering the same type of furniture to this new market or wants to discover the needs and preferred style of the new market in which case secondary market research is likely to be of little use.

</td><td>12</td></tr>
</table>

Question	Answer	Marks
7(b)	**Evaluation 6 marks** Any judgements/conclusions can be made at any point in the essay not just in a concluding section. A judgement might be made that usefulness might depend on the following: • If there is only limited information about the new market, might it be more appropriate for a business to carry out some primary research that has a focus on the product and the intended consumers? • The usefulness of secondary market research might depend on the similarity between the proposed new market and the cohort used for the secondary market research • If a business wants to find out the preferences of the new market, then it is more essential that primary market research should be undertaken • The usefulness will depend on the quality of the research already conducted and also the length of time since the information was collected • It might be that secondary market research is all that a business can afford and therefore is better than no research at all. • Will the furniture demanded in another market, either geographic or demographic, be very different? This will depend on the extent to which designs etc. differ between markets. If there is little difference, then the secondary market research could be adequate and save money for a business Accept any other valid response.	