Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/11**

Paper 1 Short Answer/Essay **October/November 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 October/November 2022 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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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 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.

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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).

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.

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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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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' etc.).
3. Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
4. Award **0** (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.

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.

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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, not 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.

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9609 Paper 11, 12 and 13
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.

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Question	Answer	Marks
1(a)	**Define the term 'emotional intelligence'.** • The ability to understand/manage/recognise/control OWN emotions/feelings (1) • The ability to understand the emotions/feelings of OTHERS (1) Correct definition – 2 of the factors listed above. (2 marks) Partial definition – 1 of the factors listed above. (1 mark) No creditable content. (0 mark)	**2**
1(b)	**Explain <u>two</u> of Goleman's emotional intelligence competencies.** **Note: exact names are not required for partial explanation.** Answers could include: • Self-awareness – knowing own feeling, realistic view of our own strengths and weaknesses • Self-management – self-control, recovering quickly from stress • Social awareness – being aware of / considering other people's feelings, understanding different social situations • Social skills – persuading, negotiating, communicating, handling emotions in relationships to influence decisions and understanding/handling different social situations • **Accept any other valid response** Correct explanation of **two** of Goleman's EI competencies. (3 marks) Correct explanation of **one** or partial explanation of **two** of Goleman's EI competencies. (2 marks) Partial explanation of **one** or a list of **two** of Goleman's EI competencies. (1 mark) No creditable content. (0 mark)	**3**

Question	Answer	Marks
2(a)	**Define the term 'opportunity cost'.** • Choice/decision to give up an alternative / next best option (1) • The cost/value/benefit of the option given up (1) OR • An example which illustrates **both** of the above bullet points is worth 2 marks (2) Correct definition – 2 of the factors listed above. (2 marks) Partial definition – 1 of the factors listed above. (1 mark) No creditable content. (0 mark)	**2**
2(b)	**Explain <u>two</u> reasons why a new business might fail.** Answers could include: • The quality of entrepreneurial, management/leadership skills • The level of financing – capital and working capital • The quality of cash flow management • The correct choice of elements in the marketing mix • The relevance and quality of product sold (USP) • The efficiency and effectiveness of business functions • Poor business planning • Poor record keeping • The level of competition • The quality of internal and external communication • Failure to respond to changing external factors • **Accept any other valid response** Correct explanation of **two** reasons why a new business might fail. (3 marks) Correct explanation of **one** reason or partial explanation of **two** reasons why a new business might fail. (2 marks) Partial explanation of **one** reason or a list of **two** reasons. (1 mark) No creditable content. (0 mark)	**3**

Question	Answer	Marks
3	**Explain the internal sources of finance a business could use to support its growth and development.** **Note: Do not accept shares as an internal source of finance.** **Note: The award of 5 marks is reserved for answers which are explicitly linked to growth and development.** Answers could include: • Internal sources of finance are those sources generated internally by a business • The main internal sources: retained profits, sale of assets, sale and leaseback of assets, leasing assets out to other businesses, reducing working capital • Money/reserves of the owner/partners • Retained profits – the profit left after paying taxes and dividends to shareholders – business has control over this finance, no dilution of control, no interest payments – the product of past success. These can be very significant sources of funds for expansion • Sale of assets – assets are sold to generate cash – long-term assets such as land, buildings and machinery, that are no longer needed, or assets can be sold and leased back to the business to generate expansion capital • Working capital – speed up the cycle of account receivables/factoring and inventory or lengthen the cycle of account payables will reduce the working capital requirement – risky can lead to liquidity issues • Internal sources attractive – cost-effective but not all businesses may have the capability to generate sufficient growth capital and many businesses may still have to use more expensive external sources • **Accept any other valid response** Effective explanation of the internal sources of finance a business could use to support its growth and development. (4–5 marks) Explanation of the internal sources of finance a business could use. (2–3 marks) Descriptive information of internal sources of finance/business growth and/or development. (1 mark) No creditable content. (0 mark)	**5**

Question	Answer	Marks
4(a)	**Define the term 'efficiency'.** • Maximisation of outputs/items produced (1) • Minimisation of inputs / making best use of resources (1) OR • Producing products at the highest ratio of output to input (2) Correct definition – 2 of the factors listed above. (2 marks) Partial definition – 1 of the factors listed above. (1 mark) No creditable content. (0 mark)	**2**
4(b)	**Explain <u>two</u> ways a business might increase the efficiency of its manufacturing operations.** Answers could include: • Change the ratio of labour/capital-intensive operations – more effective productive machines • Better training for employees / skilled workers • More effective management/motivation of employees • Focus on controlling and reducing waste • Bulk buying – get economies of scale • Minimising the cost of inputs / raw materials • Process innovation • Effective internal communication • Get smarter machine tools • Invest in effective maintenance – reduce downtime • Regularly evaluate current workflow • Better inventory management/control • Using lean production • **Accept any other valid response** Correct explanation of **two** ways a business might increase the efficiency of its manufacturing operations. (3 marks) Correct explanation of **one** way or partial explanation of **two** ways a business might increase the efficiency of its manufacturing operations. (2 marks) Partial explanation of **one** way or a list of **two** ways. (1 mark) No creditable content. (0 mark)	**3**

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>5(a)</td><td>
Analyse how marketing can add value to a product.
<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of how marketing can add value to a product.</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of how marketing can add value to a product.</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of how marketing can add value to a product.</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of adding value/marketing.</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 added value
• Understanding of marketing

Application 2 marks
• Reference to business activity (including marketing) that creates and adds value

Analysis 4 marks
• Marketing adds value by establishing a difference between the selling price of a product and the costs of making it
• Marketing defines the distinctiveness of a product – develops a brand with important messages and imagery – develops trust and loyalty
• Promotes the benefits of a product and assists the understanding of the product offer
• Effective marketing gives a market position – a position that other products do not have – competitive edge – creates a USP
• May produce effective alliances with other products
• So effective marketing creates value for customers leading to repeat customers, brand loyalty and competitive advantage
• Features that increase the value of the product e.g. packaging, loyalty rewards, quality
• 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 view that the marketing objectives of a hotel will only be achieved with a close working relationship between the marketing, finance and human resource departments of the business.
<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of the view that the marketing objectives of a hotel will not be achieved without a close working relationship between the marketing, finance and human resource departments of the business.</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of the view that the marketing objectives of a business will not be achieved without a close working relationship between the marketing, finance and human resource departments of the business.</td><td>7–8</td></tr>
<tr><td>2</td><td>Analysis and application of why different departments in a business should have a close working relationship.</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of marketing objectives/marketing department/finance department/human resource department.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table></td><td>12</td></tr>
</table>

Question	Answer	Marks
5(b)	Answers could include: **Knowledge and Understanding 2 marks** • Understanding of marketing objectives • Understanding of marketing department/finance/human resource departments **Application 2 marks** • Reference to the relevance of a close working relationship between the different business departments of marketing, finance, and HR • Reference to the context of a hotel **Analysis 2 marks** • Marketing objectives of a hotel might include: – to create a distinctive hotel experience for all guests – to accomplish growth targets within time and budget – expand existing markets and identify and pursue new markets for products and services • A hotel marketing department will develop a marketing plan and strategy relevant to its core objectives with a focus on its value proposition, promotion of its brand, attract new market sectors etc. • These marketing strategies and plans will be supported by distinctive marketing activities such as distinctive messaging using high quality brochures and advertising brand productivity and reinforcing activities • Effective and distinctive use of the marketing mix – examples of how marketing expertise can produce methods, plans, strategies that can support strong clear marketing objectives • Marketing activities need to be co-ordinated with other departmental activities • Close working relationships are vital, – a hotel finance department will need to ensure that the necessary capital is available for a marketing budget that includes substantial promotional activity • A hotel finance department will rely on the sales forecast of the marketing department to construct cash flow forecasts • Human resources will rely on sales forecasts to devise a workforce plan to support any new marketing strategy that might require more staff to sales • Human resource department will need to focus recruitment and selection policy in such a way to support the distinctive customer offer that is being marketed **Evaluation 6 marks** Any judgements/conclusions can be made at any point in the essay not just in a concluding section. A judgement may be made using the following arguments: • How important is this close working relationship between these three departments? • What is likely to happen if this co-ordination is weak? • What if 'silo management' prevails and there is no corporate synergy or co-operation? • What might this say about the quality of leaders/senior managers in a hotel? • **Accept any other valid response**	

<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>6</td><td>
‘The best way to improve the quality of teaching in a school is to use Herzberg’s two-factor theory of motivation’.

Discuss the extent to which you agree with this view.
<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>5</td><td>Effective evaluation of the view that the best way to improve the quality of teaching in a school is to use Herzberg’s two-factor theory of motivation.</td><td>17–20</td></tr>
<tr><td>4</td><td>Limited evaluation of the view that the best way to improve the quality of employee performance in a business is to use Herzberg’s two-factor theory of motivation.</td><td>15–16</td></tr>
<tr><td>3</td><td>Good analysis of the view that a way to improve the quality of employee performance in a business is to use Herzberg’s two-factor theory of motivation.</td><td>11–14</td></tr>
<tr><td>2</td><td>Limited analysis with application of how the use of Herzberg’s two-factor/other theories of motivation can improve employee performance in a business.</td><td>5–10</td></tr>
<tr><td>1</td><td>Knowledge and understanding of Herzberg’s two-factor theory of motivation/teaching in a school.</td><td>1–4</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table>
</td><td>20</td></tr>
</table>

Question	Answer	Marks
6	Answers could include: **Knowledge and Understanding 4 marks** • Understanding of motivation • Understanding of Herzberg's two-factor theory of motivation • Understanding of teaching in a school **Application 4 marks** • Reference to the use of Herzberg's two-factor theory of motivation to improving performance of teachers in a school or employees of a business **Analysis 6 marks** • The role of motivation/motivation theory in improving employee performance • Herzberg's two-factor theory of employee motivation – **hygiene factors** (extrinsic factors) – pay, working conditions, status, factors that can cause dissatisfaction and need to be addressed and managed; **motivating factors** (intrinsic factors) – aspects that can lead to positive satisfaction in work – achievement, recognition, responsibility, meaningful work advancement • Implications/impact of adopting the two-factor theory for managers and employees • The link between Herzberg and other motivational theorists – Maslow, Mayo, McClelland, Vroom • The approach of the needs/content motivation theories **Evaluation 6 marks** Any judgements/conclusions can be made at any point in the essay not just in a concluding section. A judgement may be made using the following arguments: • The context is the quality of teaching in a school • Is Herzberg's theory 'the best way' to improve the quality of teaching? • Is a focus on better motivation the answer to increase the quality of teaching? • Can there be 'other factors' that might lead to higher quality teaching, such as more effective recruitment/more finance available to purchase fixed assets such as computers or up-to-date textbooks or school visits to support classroom learning? • Some comment, for or against the view, is expected as evidence of evaluative thought and comment • **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 benefits to a business of using a cash flow forecast.

<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Good analysis of the benefits to a business of using a cash flow forecast.</td><td>7–8</td></tr>
<tr><td>3</td><td>Limited analysis of the benefits to a business of using a cash flow forecast.</td><td>5–6</td></tr>
<tr><td>2</td><td>Application of the benefits to a business of using a cash flow forecast.</td><td>3–4</td></tr>
<tr><td>1</td><td>Knowledge and understanding of a cash flow forecast.</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 a cash flow forecast

Application 2 marks
- Reference to use of a cash flow forecast in a business context

Analysis 4 marks
- The benefits to any business of projecting cash flow – predicting cash shortages and surpluses, identify and compare expenses and income for different periods, estimate the effect of business change on the cash flow
- Proof to lenders of the ability to repay on time
- Indication of when adjustments may need to be made
- Seeing upcoming cash gaps can allow plans to be put in place to avoid them
- The ability to manage surplus cash effectively
- Allows the tracking of spending and revenue targets and so increase the accuracy of future budgeting
- Makes sure that a business can afford to pay suppliers and employees
- Business can and often do run out of cash and move into insolvency
- Especially important for a new business where risk and uncertainty may be more acute – where business planning is vital – one late payment can lead to cash in the bank falling very quickly
- **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 view that the most important factor in the success of a restaurant is the availability of accurate cost information.
<table>
<tr><th>Level</th><th>Description</th><th>Marks</th></tr>
<tr><td>4</td><td>Effective evaluation of the view that the most important factor in the success of a restaurant is the availability of accurate cost information.</td><td>9–12</td></tr>
<tr><td>3</td><td>Limited evaluation of the view that the most important factor in the success of a business is the availability of accurate cost information.</td><td>7–8</td></tr>
<tr><td>2</td><td>Analysis and application of the factors which affect the success of a business.</td><td>3–6</td></tr>
<tr><td>1</td><td>Knowledge and understanding of cost information/business success/restaurant business.</td><td>1–2</td></tr>
<tr><td>0</td><td>No creditable content.</td><td>0</td></tr>
</table></td><td>12</td></tr>
</table>

Question	Answer	Marks
7(b)	Answers could include: **Knowledge and Understanding 2 marks** • Understanding of cost information • Understanding of business success • Understanding of a restaurant business **Application 2 marks** • Reference to accurate cost information • Reference to the use/relevance of accurate cost information for a restaurant business • Reference to how success is recognised/measured/affected **Analysis 2 marks** • Analysis of the factors which affect the success of a business e.g. competition, quality of food, marketing, accurate cost information • Accurate cost information as an important factor affecting the success of any business: – a critical aspect of business decision-making – the calculation of production costs – cost, revenue and profit and loss as factors in determining the success of a business – cost accounting assists profit analysis – which costs are contributing to profit making – can monitor increasing costs – helps identify break-even points – allows control of overall costs – affects decisions on pricing policy • Accurate cost information may be vital for a restaurant – around 25% of new restaurants fail within a year • The impact of financial control issues on restaurant decision-making, creating financial discipline (with accurate cost information) **Evaluation 6 marks** Any judgements/conclusions can be made at any point in the essay not just in a concluding section. A judgement may be made using the following arguments: • To what extent do other factors contribute more to the success of a restaurant, – passion for the restaurant offer, quality and distinctiveness of the menu, location, degree of competition, positiveness of social media reviews, reliability of supplies, quality of staff, cleanliness, sanitation etc. • It may depend on the stage of business – a new start-up business will use different factors to measure success than a well-established restaurant • Starting a restaurant can be very expensive, spending may be more than anticipated, revenue may be less than planned, loss through theft, health and safety regulations • Financial issues and cost control likely to be critical factors – but they may be neglected due to the focus on other factors, such as ownership and passion for creating a unique service • **Accept any other valid response**	