

INTERNATIONAL GCSE BUSINESS

(9225)

Example responses with commentary: Paper 1

For teaching from September 2017 onwards

INTRODUCTION

This guide includes student responses to questions from the June 2019 International GCSE Business (9225) Paper 1.

The questions are presented with the mark schemes, student responses and commentaries from the Lead Examiner.

ASSESSMENT OBJECTIVES

The exams will measure how students have achieved the following Assessment Objectives:

- AO1: Demonstrate knowledge and understanding of business concepts, issues and terminology.
- AO2: Apply knowledge and understanding of concepts and issues to business contexts and to interpret business information.
- AO3: Analyse and evaluate business information and issues to demonstrate understanding of the impact of these on business activity, to make reasoned judgements and justified business decisions.

LEVEL OF RESPONSE MARKING

INSTRUCTIONS

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

STEP 1 DETERMINE A LEVEL

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

STEP 2 DETERMINE A MARK

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

EXAMPLE RESPONSES

QUESTION 10.3

1 0 . 3 Analyse how HHE benefits from making high-quality products.

[6 marks]

MARK SCHEME

Q	Marking guidance	Total marks
10.3	Possible answers include: <ul style="list-style-type: none"> lower costs as fewer re-working/warranty claims boosts brand reputation – vital at top end of market allows them to charge a higher price, maintaining profitability even at low levels of sales. 	6 AO2=2 AO3=4

Level	Marks	Descriptor
3	5-6	Detailed analysis of topics based on the context <ul style="list-style-type: none"> Business areas are analysed in depth. Applies knowledge and understanding to the context sufficiently, throughout.
2	3-4	Sound analysis of topics based on the context <ul style="list-style-type: none"> Business areas are partially analysed. Applies knowledge and understanding to the context sufficiently, in most areas.
1	1-2	Basic analysis of topics based on the context <ul style="list-style-type: none"> Analysis of business areas is simplistic. Knowledge and understanding is applied to the context, but may be fragmented.
0	0	Nothing worthy of credit

STUDENT A

Response:

Valid point made

Now, clearly linked in with context and analytical chain developing

Further development of argument using context

Introduces another valid point

Develops contextualized chain of logic

Developing high quality products enables HHE to charge a higher price. Charging the higher price ensures HHE makes back their money from purchasing high quality imported materials. Therefore the higher price widens HHE profit margins because they are making more per unit due to being able to charge the higher price, demand is unlikely to fall because they sell their products designed for customers who want high quality and long lasting kitchen equipment, as a result profits will increase due to the higher cost.

Furthermore, having high quality products ensures HHE maintains their reputation of producing high quality lasting products because if they don't they are not meeting the customer needs and wants for their business, this would lead to a reduction in demand and therefore sales

Commentary:

Overall a response that shows the ability to analyse in depth, especially in the first argument, with arguments driven by the context provided by the item.

Mark awarded: Level 3, 6 marks

STUDENT B

Response:

Valid points made

Analysis is developing here

Pushes analytical chain a little further

Making high quality products is beneficial for HHE. This is because if they provide the best product, in terms of quality, then they will build up loyal customer bonds and a good reputation. This leads to a glorified brand image and representation which will attract more customers who are interested in their product. Therefore the sales will increase due to satisfaction of customers and a good public image. As a result, the business will make more profit.

Commentary:

This response fails to make any clear reference to context when developing the chain of logic relating to customer loyalty and reputation. The argument is rather basic, linked to a shortage of contextualisation

Mark awarded: Level 2, 4 marks

QUESTION 10.5

10 . 5

Identify and explain two reasons why effective recruitment is important as HHE expands its business.

[6 marks]

MARK SCHEME

Q	Marking guidance	Total marks
10.5	<p>One mark for identifying a valid benefit, plus one mark for offering some explanation or development, third mark for clear use of growth context (2x3)</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> • reduced staff turnover • higher skill levels • wider range of skills/greater diversity • fills vacancies quickly. <p>Specimen answer</p> <p>Effective recruitment should get the right person for the job (1). This means they are less likely to leave soon – saving the costs involved in replacing them (1) – which will be vital as growth may place a strain on cash flow (1)</p>	<p>6</p> <p>AO1=2 AO2=4</p>

STUDENT A

Response:

Valid point made and explained

HHE requires effective recruitment to ensure they hire staff that want to be part of the business. Hiring staff that may not feel they belong may leave, therefore lowering their retention rate. This can be expensive as employees would have to be trained to have the skills or hire again increasing costs significantly which shows why they need effective recruitment as expansion is expensive and they do not want to increase costs further.

Now clearly referencing growth context for third mark

Valid point made but no clear reference to growth context

Another reason HHE requires effective recruitment is because they want to hire employees with the right skills and ability for the business. They produce high quality durable products therefore employees must be able to produce that standard of quality, as a result they must have the skills to begin with, additionally employees in the business are all skilled therefore new employees must also replicate that in order to ensure they continue performing well. The employees must have the right skills to make these new electrical items.

Now recognises growth as producing new type of product – third mark gained here

Commentary:

Two valid points, each of which is explained effectively and has some reference to the growth context.

Mark awarded: 6 marks

STUDENT B

Response:

Valid point made

The recruits that they decide to invest in and bring in need to have the correct work ethic and they must be able to produce good work. That would help the company earn more customer interest. Thus making more profit in order to provide the payment needed to get the correct supplies.

Explanation provided, no clear growth reference

The employees that are being recruited are the face of the company, the customers would be looking at their employees quality of work in order to decide if they would like to purchase any of their products. If the employees are in the correct state of mind and produce high quality level work the enterprise would earn a good reputation for training and looking after their employees.

Further explanation of the need to hire staff with the correct attitude. Does not add any reference to growth

Commentary:

Overall we have one point explained, but no clear contextual reference.

Mark awarded: 2 marks

QUESTION 10.6

1 0 . 6

Analyse why organic growth may be a safer method of growth for HHE rather than a takeover of a rival.

[6 marks]

MARK SCHEME

Q	Marking guidance	Total marks
10.6	<p>Possible answers include:</p> <ul style="list-style-type: none"> likely to use safer methods of finance such as retained profit meaning less exposure to debt growth tends to be slower, so less likely to experience coordination or communication problems avoids danger of external growth where little may be known of business being acquired. 	<p>6</p> <p>AO1=2 AO2=4</p>

Level	Marks	Descriptor
3	5-6	<p>Detailed analysis of topics based on the context</p> <ul style="list-style-type: none"> Business areas are analysed in depth. Applies knowledge and understanding to the context sufficiently, throughout.
2	3-4	<p>Sound analysis of topics based on the context</p> <ul style="list-style-type: none"> Business areas are partially analysed. Applies knowledge and understanding to the context sufficiently, in most areas.
1	1-2	<p>Basic analysis of topics based on the context</p> <ul style="list-style-type: none"> Analysis of business areas is simplistic. Knowledge and understanding is applied to the context, but may be fragmented.
0	0	Nothing worthy of credit

STUDENT A

Response:

Organic growth is a safer option rather than taking over another rival business because the business has already shown successful in making profit as it is to expand and the rival business may not be as good as them. This could lead them to having many unskilful and useless employees, which will only increase the training costs, however, if they were to grow organically they can pick their employees carefully and perhaps use on the job training to reduce costs. Therefore if the business was to grow organically then it will be more beneficial as the business will be able to monitor itself and keep with the successful system avoiding any chance of diseconomies of scale occurring and keeping their profits. As a result, organic growth may be a slower method however it is better to be safer and retain profits rather than lose them.

Commentary:

Makes two points, but only one has any valid explanation, which becomes simplistic analysis.

Mark awarded: Level 2, 3 marks

STUDENT B

Response:

Organic growth would be a safer method of expansion because as opposed to takeover of a rival because organic growth is much slower. Takeover is a rapid growth method therefore the element of diseconomies of scale would be significant because purchasing full control of another business could lead to a culture clash, as a result of that communication may break down, due to the rapid expansion, a result of employees having to adapt to each other, unit cost may increase, therefore harming the business, this shows the element of risk involved with rapid growth. Additionally the retained profits by the business may not be enough for a takeover therefore a bank loan may be needed to be taken out to fund the takeover. This adds to the element of risk because there is no guarantee of return on investment. Organic growth however, is much slower this means that the effects of diseconomies of scale will not be as significant as less quantity of employees are having to adapt to each other and the business therefore there will likely not be a breakdown in communication. This shows why organic growth is a safer method of growth

Commentary:

The quality of the first part of the argument is enough to reach level 3, however, a lack of consistency in the quality of argument keeps this response at the bottom of the level.

Mark awarded: Level 3, 5 marks

Valid point with simple analysis.

Answer loses the thread being developed here

Valid point but not explained at all

Valid point

Good analysis which shows a logical chain of argument and returns to the issue of safety

Another valid point with simple analysis

Comes back to the valid theme of avoiding communication diseconomies of scale

QUESTION 10.7

107

HHE must decide which supplier it will choose to supply the electric motors for its new range of products.

Recommend which supplier would be better for HHE.

Use information in Items A, B and C to support your answer.

[12 marks]

MARK SCHEME

Q	Marking guidance	Total marks
10.7	<p>Areas for consideration</p> <p>HH Enterprises are built on high quality – supplier B has far lower level of faults.</p> <p>HH Enterprises tries to offer excellent service – a shorter lead time (as offered by B) should help.</p> <p>Supplier A is significantly cheaper – HH will still need to make a profit from these new items.</p>	<p>12</p> <p>AO2=4</p> <p>AO3=8</p>

Level	Marks	Descriptor
4	10-12	<p>Detailed analysis of topics based on the context</p> <ul style="list-style-type: none"> Coherent line of reasoning followed, which is sustained, relevant and substantiated. There is a focused conclusion that is fully justified and follows clearly from the analysis. Business areas are analysed in depth. Knowledge and understanding is detailed and appropriately applied within context.
3	7-9	<p>Sound analysis and evaluation</p> <ul style="list-style-type: none"> Coherent line of reasoning given and the conclusion is appropriate and related to the preceding analysis. Business areas are partially analysed. Knowledge and understanding is detailed and appropriately applied within context.

2	4-6	Limited attempt made to analyse the topics based on the context <ul style="list-style-type: none"> Evidence of some line of reasoning, with a conclusion that has limited justification. Analysis of business areas is simplistic. Some knowledge and understanding is applied within context.
1	1-3	Basic evaluation of topics but without any real support or analysis <ul style="list-style-type: none"> A conclusion is present but without any reasoned support. No discernible or relevant analysis. A clear attempt to apply knowledge and understanding, but context may be lacking.
0	0	Nothing worthy of credit

STUDENT A

Response:

I recommend that HHE goes with supplier Y, this is because according to the table, they are the better supplier since they produce less faults per 1000 units and they provide better service of delivery. This leads to better quality products being produced which will result in customers being pleased with the product.

Therefore, the business should go with supplier Y, even if it is more expensive – it will result in the best outcome. As a result, the business will be able to maintain the high quality production.

On the other hand, supplier X is not the best option: they do cost less so the business will not have to spend as much, however, they take a week to deliver the products so the customers will have to wait a long time and might get impatient and cancel their orders, they do not produce completely functional product and have a higher chance of producing faulty products.

In conclusion, supplier Y is better and more beneficial for the business. It has quick delivery time and produces high quality motors. This depends on whether the business is satisfied with these motors yet they have shown through the table to be efficient as the number of faults are low.

Commentary:

A level 4 answer, at the lower end as justification could have been fuller, but conclusion flows effectively from the line of reasoning presented.

Mark awarded: Level 4, 10 marks

Partial analysis with use of context

Analysis in depth, clear use of another aspect of context

Further analysis evident

A valid conclusion based on the analysis presented earlier in the answer

STUDENT B

Response:

Valid point

I will choose supplier X because the price per motor is cheaper so the business can save more money. The average number of production faults in 2018 (per 1000 units), supplier X is more than supplier Y mean that more people have choice to use supplier X so it is more trust from people. Although the deliver time of the order need to take more time. But for the long term supplier X is more suitable. Because it was more cheaper, so it can help business to save more money, so the business will have more cash flow. The business has no experience of making electrical item so if they use a cheaper motor is more better because if they broke down the motor the cost of loss will be less than the other one.

Does not make sense

Simplistic analysis

Poor logic

Commentary:

Overall this response contains little that is valid, just enough simple analysis to move into low level 2.

Mark awarded: Level 2, 4 marks

QUESTION 11.6

1 1 . **6** Analyse the benefits to Salah's Supermarkets of having a tall organisational structure.

[6 marks]

MARK SCHEME

Q	Marking guidance	Total marks
11.6	<p>Possible answers include:</p> <ul style="list-style-type: none"> greater control over staff who may be inexperienced clarity of communication – narrow spans help to ensure nobody misses messages clearer promotion opportunities for staff looking to build a career with the business. 	<p>6</p> <p>AO2=2 AO3=4</p>

Level	Marks	Descriptor
3	5-6	<p>Detailed analysis of topics based on the context</p> <ul style="list-style-type: none"> Business areas are analysed in depth. Applies knowledge and understanding to the context sufficiently, throughout.
2	3-4	<p>Sound analysis of topics based on the context</p> <ul style="list-style-type: none"> Business areas are partially analysed. Applies knowledge and understanding to the context sufficiently, in most areas.
1	1-2	<p>Basic analysis of topics based on the context</p> <ul style="list-style-type: none"> Analysis of business areas is simplistic. Knowledge and understanding is applied to the context, but may be fragmented.
0	0	Nothing worthy of credit

STUDENT A

Response:

Possible but unlikely – bottom up communication would be less likely to reach 'the top'.

Having a tall organisational structure can benefit the supermarket's communication levels. If any new improvements or ideas have been developed the employees would know and they would be able to voice their opinions and concerns. Doing this would help Salah gain new perspectives on any sort of idea he might have.

Not necessarily, certainly not due many layers

Another benefit could be that work is distributed equally and the employees would have equal say and would not get stressed about any upcoming job ideas.

Commentary:

This response contains no valid knowledge or understanding.

Mark awarded: 0 marks

STUDENT B

Response:

Shows knowledge, makes valid point

The benefits of having a tall organisation includes managers who has fewer subordinates. This would ensure control of managers over their subordinates because there is only a few of them that managers are able to control. This could help the productivity and the quality of their work rising as it takes less energy to watch over less subordinates.

Now shows partial analysis

The head office in Cairo might not know specifically about the situations in each individual shops. With several layers in the organisation the orders could be interpreted differently to make sure that the orders fit more with the specific situation that is different in every shop.

Not tied in effectively to tall structure

Commentary:

This response offers partial analysis of sound knowledge in the first paragraph. The second paragraph adds nothing.

Mark awarded: Level 2, 3 marks

QUESTION 11.7

1 1 . 7

Salah's Supermarkets wants to improve customer service by increasing the motivation of its shop assistants.

The business is considering two options:

- increase the wages of shop assistants
- giving shop staff more responsibility.

Recommend which one of the options would be better for Salah's Supermarkets.

Use information in Items D, E and F to support your answer.

[12 marks]

MARK SCHEME

Q	Marking guidance	Total marks
11.7	<p>Possible answers include:</p> <ul style="list-style-type: none"> • greater control over staff who may be inexperienced • clarity of communication – narrow spans help to ensure nobody misses messages • clearer promotion opportunities for staff looking to build a career with the business. 	<p>12</p> <p>AO2=4</p> <p>AO3=8</p>

Level	Marks	Descriptor
4	10-12	<p>Detailed analysis of topics based on the context</p> <ul style="list-style-type: none"> • Coherent line of reasoning followed, which is sustained, relevant and substantiated. There is a focused conclusion that is fully justified and follows clearly from the analysis. • Business areas are analysed in depth. • Knowledge and understanding is detailed and appropriately applied within context.

3	7-9	Sound analysis and evaluation <ul style="list-style-type: none"> • Coherent line of reasoning given and the conclusion is appropriate and related to the preceding analysis. • Business areas are partially analysed. • Knowledge and understanding is detailed and appropriately applied within context.
2	4-6	Limited attempt made to analyse the topics based on the context <ul style="list-style-type: none"> • Evidence of some line of reasoning, with a conclusion that has limited justification. • Analysis of business areas is simplistic. • Some knowledge and understanding is applied within context.
1	1-3	Basic evaluation of topics but without any real support or analysis <ul style="list-style-type: none"> • A conclusion is present but without any reasoned support. • No discernible or relevant analysis. • A clear attempt to apply knowledge and understanding, but context may be lacking.
0	0	Nothing worthy of credit

STUDENT A

Response:

Acknowledges low wage rates but not explicitly linking to customer service levels

Motivation is dependent on how driven employees are and how passionate they are about their jobs. One of the main reasons the profits have been low is due to poor performance of employees, this is likely due to the fact that there is no minimum wage and that they are not rewarded appropriately.

Makes a judgement, no justification yet

I recommend that the wages of the shop assistants be increased, despite the fact that profits are low – it will encourage the employees to work more productively and effectively. This means that customer service will increase, which will make the customers more satisfied and pleased by the outcomes.

A simplistic argument, with a recognition that profits are low

However, even if the company needs to save their profits, responsibility will just increase the layers of organisation which is one of the initial causes of low profit, so I do not believe it will be that helpful for the business as it may cause conflict and contradiction between employees and not really motivate them.

No evidence of extra layers – not credited

Hasn't quite explained how better customer satisfaction leads to higher profit

To conclude, increasing the wages will motivate the employees to work better in hopes for a larger pay rise. As a result, both customer service and satisfaction will increase, therefore increasing profit.

Commentary:

Overall a response that shows only simplistic analysis and provides limited justification for the judgement made. Some knowledge and understanding is shown in context

Mark awarded: Level 2, 5 marks

STUDENT B

Response:

Increasing the wages of shop assistants would be better than giving the shop staff more responsibility. The reasons are as follows:

- Giving shop employees more responsibilities wouldn't only make their job interesting, it would also increase the amount of pressure on them, which could lead to further loss of customer satisfaction or profit loss
- It would be reasonable to say that Salah's employees would be very wage-driven, because despite their work, they still get very low wages. Giving shop assistants more wage could increase motivation which will increase the customer satisfaction and possibly even profit.
- Giving assistants more responsibility would increase the amount of interest in their work but it doesn't mean it will increase their productivity or motivation to work.

Commentary:

Overall a response that shows the ability to partially analyse but overall the initial judgement has limited justification as other parts of the response show simplistic or no analysis. Level 2 – top due to one piece of analysis fitting the level 3 descriptor for analysis.

Mark awarded: Level 2, 6 marks

A judgement made at the start – which can make justification harder without an opportunity to reflect later on the arguments put forward

A valid point with simplistic chain of logic

Here we see partial analysis, building from context

Assertive statement, no real logic



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