

# OCR

Oxford Cambridge and RSA

## **Specimen Assessment Material** **AS Level in Business**

**H031/02 The wider business environment**

**SAMPLE MARK SCHEME**

**Duration:** 1 hour 30 minutes

**MAXIMUM MARK    60**

**This document consists of 20 pages**

## MARKING INSTRUCTIONS

### PREPARATION FOR MARKING SCORIS

1. Make sure that you have accessed and completed the relevant training packages for on-screen marking: *scoris assessor Online Training*; *OCR Essential Guide to Marking*.
2. Make sure that you have read and understood the mark scheme and the question paper for this unit. These are posted on the RM Cambridge Assessment Support Portal <http://www.rm.com/support/ca>
3. Log-in to scoris and mark the **required number** of practice responses (“scripts”) and the **required number** of standardisation responses.

YOU MUST MARK 10 PRACTICE AND 10 STANDARDISATION RESPONSES BEFORE YOU CAN BE APPROVED TO MARK LIVE SCRIPTS.

### TRADITIONAL

Before the Standardisation meeting you must mark at least 10 scripts from several centres. For this preliminary marking you should use **pencil** and follow the **mark scheme**. Bring these **marked scripts** to the meeting.

### MARKING

1. Mark strictly to the mark scheme.
2. Marks awarded must relate directly to the marking criteria.
3. The schedule of dates is very important. It is essential that you meet the scoris 50% and 100% (traditional 50% Batch 1 and 100% Batch 2) deadlines. If you experience problems, you must contact your Team Leader (Supervisor) without delay.
4. If you are in any doubt about applying the mark scheme, consult your Team Leader by telephone, email or via the scoris messaging system.

5. Work crossed out:
  - a. where a candidate crosses out an answer and provides an alternative response, the crossed out response is not marked and gains no marks
  - b. if a candidate crosses out an answer to a whole question and makes no second attempt, and if the inclusion of the answer does not cause a rubric infringement, the assessor should attempt to mark the crossed out answer and award marks appropriately.
6. Always check the pages (and additional objects if present) at the end of the response in case any answers have been continued there. If the candidate has continued an answer there then add a tick to confirm that the work has been seen.
7. There is a NR (No Response) option. Award NR (No Response)
  - if there is nothing written at all in the answer space
  - OR if there is a comment which does not in any way relate to the question (e.g. 'can't do', 'don't know')
  - OR if there is a mark (e.g. a dash, a question mark) which isn't an attempt at the question.

Note: Award 0 marks – for an attempt that earns no credit (including copying out the question).

8. The scoris **comments box** is used by your Team Leader to explain the marking of the practice responses. Please refer to these comments when checking your practice responses. **Do not use the comments box for any other reason.**

If you have any questions or comments for your Team Leader, use the phone, the scoris messaging system, or e-mail.

9. Assistant Examiners will send a brief report on the performance of candidates to their Team Leader (Supervisor) via email by the end of the marking period. The report should contain notes on particular strengths displayed as well as common errors or weaknesses. Constructive criticism of the question paper/mark scheme is also appreciated.
10. For answers marked by levels of response:
  - a. **To determine the level** – start at the highest level and work down until you reach the level that matches the answer
  - b. **To determine the mark within the level**, consider the following:

<b>Descriptor</b>	<b>Award mark</b>
On the borderline of this level and the one below	At bottom of level
Just enough achievement on balance for this level	Above bottom and either below middle or at middle of level (depending on number of marks available)
Meets the criteria but with some slight inconsistency	Above middle and either below top of level or at middle of level (depending on number of marks available)
Consistently meets the criteria for this level	At top of level

## 11. Annotations

Annotation	Meaning

## 12. Subject-specific Marking Instructions

**INTRODUCTION**

Your first task as an Examiner is to become thoroughly familiar with the material on which the examination depends. This material includes:

- the specification, especially the assessment objectives
- the question paper and its rubrics
- the mark scheme.

You should ensure that you have copies of these materials.

You should ensure also that you are familiar with the administrative procedures related to the marking process. These are set out in the OCR booklet **Instructions for Examiners**. If you are examining for the first time, please read carefully **Appendix 5 Introduction to Script Marking: Notes for New Examiners**.

Please ask for help or guidance whenever you need it. Your first point of contact is your Team Leader.

## Levels of response – Level descriptors

	<b>Knowledge and understanding/ Application</b>	<b>Analysis</b>	<b>Evaluation</b>
<b>Strong</b>		An explanation of causes and consequences, fully developing the links in the chain of argument.	A conclusion is drawn weighing up both sides, and reaches a supported judgement.
<b>Good</b>	Precision in the use of the terms in the question and applied in a focused way to the context of the question.	An explanation of causes and consequences, developing most of the links in the chain of argument.	A conclusion is drawn weighing up both sides, but without reaching a supported judgement.
<b>Reasonable</b>	Awareness of the meaning of the terms in the question and applied to the context of the question.	An explanation of causes and consequences, which omit some key links in the chain of argument.	Some attempt to come to a conclusion, which shows some recognition of the influencing factors.
<b>Limited</b>	Awareness of the meaning of the terms in the question.	Simple statement(s) of cause and consequence.	An unsupported assertion.

## USING THE MARK SCHEME

Please study this Mark Scheme carefully. The Mark Scheme is an integral part of the process that begins with the setting of the question paper and ends with the awarding of grades. Question papers and Mark Schemes are developed in association with each other so that issues of differentiation and positive achievement can be addressed from the very start.

This Mark Scheme is a working document; it is not exhaustive; it does not provide 'correct' answers. The Mark Scheme can only provide 'best guesses' about how the question will work out, and it is subject to revision after we have looked at a wide range of scripts.

The Examiners' Standardisation Meeting will ensure that the Mark Scheme covers the range of candidates' responses to the questions, and that all Examiners understand and apply the Mark Scheme in the same way. The Mark Scheme will be discussed and amended at the meeting, and administrative procedures will be confirmed. Co-ordination scripts will be issued at the meeting to exemplify aspects of candidates' responses and achievements; the co-ordination scripts then become part of this Mark Scheme.

Before the Standardisation Meeting, you should read and mark in pencil a number of scripts, in order to gain an impression of the range of responses and achievement that may be expected.

In your marking, you will encounter valid responses which are not covered by the Mark Scheme: these responses must be credited. You will encounter answers which fall outside the 'target range' of Bands for the paper which you are marking. Please mark these answers according to the marking criteria.

Please read carefully all the scripts in your allocation and make every effort to look positively for achievement throughout the ability range. Always be prepared to use the full range of marks.

**INSTRUCTIONS TO EXAMINERS:**

**A INDIVIDUAL ANSWERS**

- 1 The indicative content indicates the expected parameters for candidates' answers, but be prepared to recognise and credit unexpected approaches where they show relevance.
- 2 Using 'best-fit', decide first which set of BAND DESCRIPTORS best describes the overall quality of the answer. Once the band is located, adjust the mark concentrating on features of the answer which make it stronger or weaker following the guidelines for refinement.
  - **Highest mark:** If clear evidence of all the qualities in the band descriptors is shown, the HIGHEST Mark should be awarded.
  - **Lowest mark:** If the answer shows the candidate to be borderline (i.e. they have achieved all the qualities of the bands below and show limited evidence of meeting the criteria of the band in question) the LOWEST mark should be awarded.
  - **Middle mark:** This mark should be used for candidates who are secure in the band. They are not 'borderline' but they have only achieved some of the qualities in the band descriptors.
- 3 Be prepared to use the full range of marks. Do not reserve (e.g.) high Band 6 marks 'in case' something turns up of a quality you have not yet seen. If an answer gives clear evidence of the qualities described in the band descriptors, reward appropriately.

**B TOTAL MARKS**

- 1 Transfer the mark awarded to the front of the script.
- 2 The maximum mark for the paper is **60**.
- 3 The quality of extended responses is assessed in parts of this paper. The assessment of this skill is embedded within each of the levels and must be considered when determining the mark within the appropriate level.

Section A				
Question	Answer	Marks	Guidance	
1	1 mark for each correct method of non-monetary motivation up to a maximum of 2 marks <i>All reasonable answers accepted</i>	2 (2 AO1)	Any of: <ul style="list-style-type: none"> <li>• job enlargement</li> <li>• job enrichment</li> <li>• job rotation</li> <li>• team working</li> <li>• responsibility</li> <li>• empowerment</li> <li>• recognition</li> <li>• employee perks</li> <li>• extra holiday.</li> </ul>	
2	1 mark for identifying a focus on the customer  1 mark for explaining that the focus is on the customer not the product  Do not award examples	2 (2 AO1)	A business is focused on looking after its customers' needs (1) rather than focusing on developing and producing products (1)	
3	1 mark for a correctly identified economy of scale  1 further mark for development of the economy of scale	2 (2 AO1)	Internal economies of scale include: <ul style="list-style-type: none"> <li>• managerial/specialisation</li> <li>• technical</li> <li>• marketing</li> <li>• financial</li> <li>• risk bearing.</li> </ul>	
4	(a)	1 mark for calculation of gross profit  1 mark for calculation of gross profit margin (OFR)  2 marks for correct answer with or without working	2 (2 AO2)	Gross profit = 80 000 – 20 000 = £60 000 (1) Gross profit margin = 60 000/80 000 = 75% (1) Accept 0.75 or 3/4's
	(b)	1 mark for calculation of net profit	2	Net profit = 80 000 – 42 000 = £38 000 (1) Net profit margin = 38 000/80 000 = 47.5% (1)

Section A																														
Question	Answer	Marks	Guidance																											
	1 mark for calculation of net profit margin (OFR) 2 marks for correct answer with or without working	(2 AO2)	Accept 0.475 or 19/40's																											
5	Net cash flow must be negative for August 1 mark for (£12,000) 1 mark for £13,000 and correctly copied across 1 mark for £70,000 1 mark for £18,000  OFR indicated by asterisk *	4  (4 AO2)	<table border="1"> <thead> <tr> <th>Cash Inflow</th> <th>August</th> <th>September</th> </tr> </thead> <tbody> <tr> <td>Sales revenue</td> <td>£50 000</td> <td><b>£70 000</b></td> </tr> <tr> <th colspan="3">Cash Outflow</th> </tr> <tr> <td>Rent</td> <td>£30 000</td> <td>£30 000</td> </tr> <tr> <td>Materials</td> <td>£23 000</td> <td>£25 000</td> </tr> <tr> <td>Labour</td> <td>£9000</td> <td>£10 000</td> </tr> <tr> <td>Net cash-flow</td> <td><b>(£12 000)</b></td> <td>£5000</td> </tr> <tr> <td>Opening balance</td> <td>£25 000</td> <td><b>£13 000*</b></td> </tr> <tr> <td>Closing balance</td> <td><b>£13 000*</b></td> <td><b>£18 000*</b></td> </tr> </tbody> </table>	Cash Inflow	August	September	Sales revenue	£50 000	<b>£70 000</b>	Cash Outflow			Rent	£30 000	£30 000	Materials	£23 000	£25 000	Labour	£9000	£10 000	Net cash-flow	<b>(£12 000)</b>	£5000	Opening balance	£25 000	<b>£13 000*</b>	Closing balance	<b>£13 000*</b>	<b>£18 000*</b>
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6	1 mark for identification of an advantage 1 mark for identification of a disadvantage	2  (2 AO1)	<p>Advantages might include:</p> <ul style="list-style-type: none"> <li>• more rapid and effective control (1)</li> <li>• less barriers to communication (1)</li> <li>• immediate awareness of what is happening (1)</li> <li>• no or less delegation required (1)</li> </ul> <p>Disadvantages might include:</p> <ul style="list-style-type: none"> <li>• skills of others ignored (1)</li> <li>• time pressure on management (1)</li> <li>• opportunities for training/progress lost (1)</li> <li>• difficulties if decision maker is absent (1)</li> <li>• less speedy response to staff/customers/suppliers (1)</li> </ul>																											
7	1 mark for each correct identification up to a maximum of 2 identifications	2  (2 AO1)	<p>Possible reasons include:</p> <ul style="list-style-type: none"> <li>• higher quality (1)</li> <li>• reduction in wastage/rejects (1)</li> </ul>																											

Section A					
Question			Answer	Marks	Guidance
					<ul style="list-style-type: none"> <li>• develop employees skills (1)</li> <li>• reduce/remove the need for quality control (1)</li> <li>• improve team work (1)</li> <li>• better control of the production process (1).</li> </ul>
<b>8</b>			1 mark for £7000 1 mark for £52 000 Full marks can be gained without the need for working	<b>2</b>  (2 AO2)	Net Current Assets $CA - CL = £7000$ Net assets employed $NCA + FA - LTL = £52\ 000$

Question	Answer	Marks	Guidance
<b>Section B</b>			
<b>9</b>	<p>1 mark for a response which identifies that a public sector business is owned by the government</p> <p>1 mark for a response which identifies that a private sector business is owned by private individuals/groups</p>	<b>2</b> (2 AO1)	<p>Public sector organisations are owned by the government <b>(1)</b></p> <p>Private sector businesses owned by private individuals or groups (accept shareholders) <b>(1)</b></p>
<b>10</b>	<p>1 mark for each correct identification up to a maximum of 2 identifications, plus a further 1 mark for each of two developmental points.</p> <p>Make sure the two reactions are clearly different.</p>	<b>4</b> (2 AO1) (2 AO2)	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• reduce costs</li> <li>• become more competitive</li> <li>• 'dumb down'</li> <li>• even higher quality</li> <li>• more coverage of particular markets where the threats are greatest</li> <li>• market research of what viewers and listeners want.</li> </ul> <p>Exemplar responses:</p> <ul style="list-style-type: none"> <li>• By increasing the quality of the service provided (1) the BBC is in a stronger position to retain its market share (1).</li> <li>• By identifying exactly what viewers and listeners want to see/hear (1) the BBC is in a stronger position to adapt to increased competition (1).</li> </ul>
<b>11</b>	<p>1 mark for use of correct figures</p> <p>1 mark for correct mathematical operation</p> <p>2 marks for correct answer with or without working</p>	<b>2</b> (2 AO2)	63% of £145.50 = £91.67 (2)

Question	Answer	Marks	Guidance
12*	<p><b>Level 4 (10-12)</b> Candidate shows strong knowledge and understanding, analysis and evaluation of the impact of technological change on the stakeholders of the BBC. <i>There is a well-developed line of reasoning which is clear and logically structured. The information presented is relevant and substantiated.</i></p> <p><b>Level 3 (7-9)</b> Candidate shows good knowledge and understanding, analysis and evaluation of the impact of technological change on the stakeholders of the BBC. <i>There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.</i></p> <p><b>Level 2 (4-6)</b> Candidate shows reasonable knowledge and understanding, analysis and evaluation of the impact of technological change on the stakeholders of the BBC. <i>The information has some relevance and is presented with limited structure. The information is supported by limited evidence.</i></p> <p><b>Level 1 (1-3)</b> Candidate shows limited knowledge and understanding of poor stock control with limited or no analysis and evaluation of the impact of technological change on the stakeholders of the BBC.</p> <p>(NB – award maximum of two marks for non-contextualised impacts). <i>The information is basic and communicated in an unstructured way. The information is supported by limited evidence and the relationship to the evidence may not be</i></p>	<p><b>12</b></p> <p>(2 AO1) (2 AO2) (4 AO3) (4 AO4)</p>	<p>Technological change identified in the case study include:</p> <ul style="list-style-type: none"> <li>• a movement towards more digital distribution and away from more traditional broadcasting</li> <li>• customer expectations in terms of access to content – more use of computers, tablets and mobile phones</li> <li>• growth in broadband, 3G and 4G technology and delivery</li> <li>• self-scheduling of programmes (watch what you want when you want)</li> <li>• availability of content for 30 days</li> </ul> <p>Impact on stakeholders could include:</p> <ul style="list-style-type: none"> <li>• government – increased investment/cost</li> <li>• directors/managers – new skills required, new objectives and delivery methods to be managed, need for energy of ‘YouTube’ generation to be harnessed</li> <li>• programme makers – more opportunities for new content in some areas, but less opportunity in others such as BBC Three</li> <li>• consumers – more content available for longer, more delivery methods, possibility of some content having to be paid for (as opposed to a free service now)</li> <li>• employees – new skills required, possibility of redundancy (e.g. BBC three), possibility of new job creation (Digital media). Possible changes to working practices as content moves online/more flexible working available</li> <li>• competition – need to invest to maintain market share, opportunities created by loss of BBC Three/movement away from traditional broadcasting. Possible loss of market share, especially pay for services such as Sky etc.</li> </ul>

Question	Answer	Marks	Guidance
	<p><i>clear.</i></p> <p><b>0 marks</b> no response or no response worthy of credit.</p>		<ul style="list-style-type: none"> <li>• licence fee payers (not necessarily consumers) – possible increase in licence fee.</li> </ul>
13*	<p><b>Level 4 (16-20)</b> Candidate shows strong knowledge and understanding, analysis and evaluation of the importance to the BBC of having a wide product portfolio. Evaluation justifies the importance or otherwise of a wide product portfolio to the BBC. <i>There is a well-developed line of reasoning which is clear and logically structured. The information presented is relevant and substantiated.</i></p> <p><b>Level 3 (11-15)</b> Candidate shows good knowledge and understanding, analysis and evaluation of the importance to the BBC of having a wide product portfolio. <i>There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.</i></p> <p><b>Level 2 (6-10)</b> Candidate shows reasonable knowledge and understanding, analysis and evaluation of the importance to the BBC of having a wide product portfolio. <i>The information has some relevance and is presented with limited structure. The information is supported by limited evidence.</i></p> <p><b>Level 1 (1-5)</b> Candidate shows limited knowledge and understanding of poor stock control with limited or no analysis and evaluation of the importance to the BBC of having a wide product portfolio.</p>	<p><b>20</b></p> <p>(2 AO1) (2 AO2) (8 AO3) (8 AO4)</p>	<p>The importance of a wide product portfolio to the BBC may include:</p> <ul style="list-style-type: none"> <li>• wide range of market segments in the population, so the BBC must cater for a number of different audiences because it is paid for by everyone who has a TV. Therefore to achieve its aim to enrich people's lives with programmes that inform, educate and entertain, it must have a range of TV and radio channels</li> <li>• the changing nature of distribution for TV and radio means that the BBC needs to have a wide range of distribution methods such as digital, Freeview, online and catch up</li> <li>• the TV and radio market is very competitive so the BBC needs to have a wide product portfolio to be able to compete with providers such as Sky and Virgin</li> <li>• to justify the payment of the licence fee, the BBC needs to offer a wide range of products and services so that there is something for everyone. Otherwise some people would be justified in not paying the licence fee</li> <li>• some analysis of the BBC's product portfolio using the Boston matrix to suggest that there needs to be a range of products and services so that new products (BBC Store and Playlist) can replace older ones (such as BBC Three)</li> <li>• some analysis of the BBC's product portfolio using the product life cycle, showing products that may be at saturation and decline (such as terrestrial TV) and products in development (such as BBC and</li> </ul>

Question	Answer	Marks	Guidance
	<p>(NB – award maximum of two marks for a non-contextualised response).  <i>The information is basic and communicated in an unstructured way. The information is supported by limited evidence and the relationship to the evidence may not be clear.</i></p> <p><b>0 marks</b> no response or no response worthy of credit.</p>		<p>Playlist)</p> <p>However a wide product portfolio may not be important to the BBC:</p> <ul style="list-style-type: none"> <li>• the BBC itself does not have a profit objective, and therefore its aim is not to cater for all tastes but to make content that other providers do not make, such as education programmes</li> <li>• the BBC has most of its product portfolio in a small segment of the market. Unlike business such as Virgin which has a diverse product portfolio, the BBC has little diversification showing that a wide product portfolio is not important</li> <li>• the BBC has a dominant position in the broadcasting market (monopoly) and as such does not need to compete directly with other providers such as Sky</li> <li>• the licence fee means that everyone who watches live TV must pay, whether or not they actually use the BBC. Therefore a wide product portfolio is unnecessary to provide continued revenue</li> </ul> <p>Justification must make reference to the importance (or not) of a wide product portfolio to the BBC. This is likely to include linking to the objectives of the BBC to discuss the importance.</p> <p>Quantitative analysis using Fig 1 of the range of services offered - this could be linked to the extracts to provide evaluation of the changing nature of the product portfolio (i.e. more online) compared to the use of the licence fee (only 5% on internet).</p>

## APPENDIX 1 – Grid for Specimen Assessment Material Component 2

Question	AO1	AO2	AO3	AO4	Total	Quantitative skills
<b>Section A</b>						
1	2	-	-	-	2	
2	2	-	-	-	2	
3	2	-	-	-	2	
4(a)	-	2(2)	-	-	2	(2)
4(b)	-	2(2)	-	-	2	(2)
5	-	4(4)	-	-	4	(4)
6	2	-	-	-	2	
7	2	-	-	-	2	
8	-	2(2)	-	-	2	(2)
<b>Sub-Total</b>	10	10	-	-	20	10
<b>Section B</b>						
9	2	-	-	-	2	
10	2	2	-	-	4	
11	-	2(2)	-	-	2	(2)
12	2	2	4	4	12	
13	2	2	8	8	20	
<b>Sub-Total</b>	8	8	12	12	40	2
<b>Total</b>	<b>18</b>	<b>18</b>	<b>12</b>	<b>12</b>	<b>60</b>	<b>12</b>

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