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**BUSINESS**

**9609/21**

Paper 2 Data Response

**October/November 2018**

MARK SCHEME

Maximum Mark: 60

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**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 2018 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

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This document consists of **16** printed pages.

**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.

Question	Answer	Marks																				
1(a)(i)	<p data-bbox="300 248 879 282"><b>Define the term ‘market segment’ (line 3).</b></p> <table border="1" data-bbox="300 315 1334 577"> <thead> <tr> <th data-bbox="300 315 1177 380">Knowledge</th> <th data-bbox="1177 315 1334 380">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 380 1177 448">A correct definition</td> <td data-bbox="1177 380 1334 448">2</td> </tr> <tr> <td data-bbox="300 448 1177 515">A partial, vague or unfocused definition</td> <td data-bbox="1177 448 1334 515">1</td> </tr> <tr> <td data-bbox="300 515 1177 577">No creditable content</td> <td data-bbox="1177 515 1334 577">0</td> </tr> </tbody> </table> <p data-bbox="300 611 416 645"><b>Content</b></p> <ul data-bbox="300 645 1222 745" style="list-style-type: none"> <li>• Part of a market</li> <li>• Made up of groups of customers who share similar characteristics, interests, etc.</li> </ul> <table border="1" data-bbox="300 779 1334 1211"> <thead> <tr> <th data-bbox="300 779 815 846">Exemplar</th> <th data-bbox="815 779 938 846">Marks</th> <th data-bbox="938 779 1334 846">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 846 815 981">Sub-group of a whole market (1)for consumers with similar characteristics such as age(1)</td> <td data-bbox="815 846 938 981">2</td> <td data-bbox="938 846 1334 981">Identifies that it is part of a market aimed at specific customers</td> </tr> <tr> <td data-bbox="300 981 815 1144">A group or portion of a whole market</td> <td data-bbox="815 981 938 1144">1</td> <td data-bbox="938 981 1334 1144">Again Identifies that it is part of a market but no reference to target group of customers</td> </tr> <tr> <td data-bbox="300 1144 815 1211"><u>It is the whole market</u></td> <td data-bbox="815 1144 938 1211">0</td> <td data-bbox="938 1144 1334 1211">Incorrect definition</td> </tr> </tbody> </table>	Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Marks	Rationale	Sub-group of a whole market (1)for consumers with similar characteristics such as age(1)	2	Identifies that it is part of a market aimed at specific customers	A group or portion of a whole market	1	Again Identifies that it is part of a market but no reference to target group of customers	<u>It is the whole market</u>	0	Incorrect definition	2
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1(a)(ii)	<p><b>Briefly explain the term ‘public sector organisation’ (line 1).</b></p> <p>Award one mark for each point of explanation:</p> <table border="1" data-bbox="300 349 1331 712"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>Example or some other way of showing good understanding e.g. Product that might not be adequately provided by the private sector/profit not an objective.</td> <td>1</td> </tr> <tr> <td>B</td> <td>To provide a service to the local community/ social objectives</td> <td>1</td> </tr> <tr> <td>A</td> <td>Owned/controlled by the state/government</td> <td>1</td> </tr> </tbody> </table> <p><b>Note: Must have an answer from section A or B</b></p> <p><b>Content</b> A business owned and controlled by the government to provide services and products that might not be adequately provided by the private sector.</p> <table border="1" data-bbox="300 947 1331 1574"> <thead> <tr> <th>Exemplar</th> <th>Marks</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>Owned and controlled by the state (1) to provide a social benefit (1) profit not an objective (1)</td> <td>3</td> <td>All 3 elements included – A + B + C</td> </tr> <tr> <td>Owned by the government (1) e.g. fire service (1)</td> <td>2</td> <td>Only 2 elements A + C</td> </tr> <tr> <td>Not run with the aim of making a profit (1) but aim to a service to the community (1)</td> <td>2</td> <td>Only 2 elements B + C</td> </tr> <tr> <td>State owned enterprise (1)</td> <td>1</td> <td>Only 1 element A</td> </tr> <tr> <td>Organization funded by the government</td> <td>0</td> <td>Too vague – private sector organizations may be funded by the government</td> </tr> </tbody> </table>		Knowledge	Marks	C	Example or some other way of showing good understanding e.g. Product that might not be adequately provided by the private sector/profit not an objective.	1	B	To provide a service to the local community/ social objectives	1	A	Owned/controlled by the state/government	1	Exemplar	Marks	Rationale	Owned and controlled by the state (1) to provide a social benefit (1) profit not an objective (1)	3	All 3 elements included – A + B + C	Owned by the government (1) e.g. fire service (1)	2	Only 2 elements A + C	Not run with the aim of making a profit (1) but aim to a service to the community (1)	2	Only 2 elements B + C	State owned enterprise (1)	1	Only 1 element A	Organization funded by the government	0	Too vague – private sector organizations may be funded by the government	3
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Question	Answer						Marks
1(c)	<b>Analyse one advantage and one disadvantage to SP of using price discrimination.</b>						<b>8</b>
	Level	Knowledge and Application (4 marks)	Marks	Annotation	Analysis (4 marks)	Marks	Annotation
	2b	Shows understanding of price discrimination in context	4	APP+ APP	Good analysis of one advantage <b>and</b> one disadvantage to SP of using price discrimination	4	DEV+ DEV
	2a	Shows understanding of pricing methods in context	3	APP	Good analysis of one advantage <b>or</b> one disadvantage to SP of using price discrimination	3	DEV
	1b	Shows knowledge of price discrimination	2	K+K	Limited analysis of one advantage <b>and</b> one disadvantage of using price discrimination	2	AN+ AN
	1a	Shows knowledge of pricing methods	1	K	Limited analysis of one advantage <b>or</b> one disadvantage of using price discrimination	1	AN
	0	No creditable content					
	<p><b>Content Advantages:</b></p> <ul style="list-style-type: none"> <li>• Increase number of customers – particularly important for a publically owned business</li> <li>• Gives access to the swimming pool to more people, not dependent on income</li> <li>• Can be used to increase demand during off peak times</li> <li>• Can be used to decrease demand at peak times. Disadvantages:</li> <li>• Reduce income – may be contributing to the loss made by The Lido</li> <li>• May be seen as a poor quality service</li> <li>• May be seen as unfair against people who pay full price</li> <li>• May lead to excess demand at off peak times and low demand at peak time</li> </ul>						

Question	Answer					Marks	
1(d)	<b>Recommend whether SP should close The Lido. Justify your answer.</b>					<b>11</b>	
	<b>Knowledge and Application (4 marks)</b>	<b>Marks</b>	<b>Anno- tation</b>	<b>Analysis and Evaluation (7 marks)</b>	<b>Marks</b>		<b>Anno- tation</b>
				A justified recommend- ation based on a developed two sided argument	<b>7</b>		
				A developed recommend- ation based on a developed two sided argument	<b>6</b>		
				A basic recommend- ation based on a developed two sided argument	<b>5</b>		EVAL
	Shows understanding of factors affecting business performance of The Lido or the impact of closing/ staying open in context	<b>3-4</b>	APP + APP	Developed argument based on closure of the Lido <b>and</b> keeping the Lido open	<b>4</b>		
			APP	Developed argument based on either closure of the Lido <b>or</b> keeping the Lido open	<b>3</b>		
	Shows knowledge of business performance	<b>1-2</b>	K + K	Limited analysis of closing a business <b>and</b> keeping a business open	<b>2</b>		
			K	Limited analysis of closing a business <b>or</b> keeping a business open	<b>1</b>		
	No creditable content				<b>0</b>		



Question	Answer	Marks
1(d)	<p><b>Content</b></p> <p>Arguments for closure:</p> <ul style="list-style-type: none"> <li>• The Lido will be subsidised by other swimming pools/the Government – is this a good use of taxpayers' money?</li> <li>• Would a different facility be better – one that could make a profit or cover its own costs?</li> <li>• Is the local area the best for a swimming pool – would government money be better spent on creating jobs?</li> </ul> <p>Arguments against closure:</p> <ul style="list-style-type: none"> <li>• Publically owned so profit is not the objective of the business – does it matter if The Lido makes a loss?</li> <li>• The Lido only makes a loss when the allocation of Head Office costs are included – is this a fair allocation?</li> <li>• The local community has high unemployment – closure is likely to affect these the most</li> <li>• There are many schools in the local area – the closure would reduce the ability for these to teach swimming.</li> <li>• The Lido benefits local fitness/combats obesity</li> </ul>	

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C	Example or some other way of showing good understanding e.g. shared risk/responsibility/profits/losses/finance	3																											
B	Unlimited liability/lack of continuity	2																											
A	Two or more owners	1																											
Exemplar	Marks	Rationale																											
Two or more people run a business together (1) usually with shared capital (1) They have unlimited liability (1)	3	Good, developed explanation																											
Two or more people run a business (1) and provide the capital (1)	2	Explanation ok but not developed																											
Run by at least 2 people (1) and does not have limited liability (1)	2	Again explanation ok but limited																											
Owned by two or more people (1) without the ability to sell shares to the public (0)	1	A mark for reference to ownership but the rest of the explanation seems to confuse this with a ltd company																											

Question	Answer	Marks																							
2(b)(i)	<p><b>Calculate the revenue generated from cakes with a jam filling.</b></p> <table border="1"> <thead> <tr> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>Correct answer, with or without working</td> <td>3</td> </tr> <tr> <td>Attempt with correct figures</td> <td>2</td> </tr> <tr> <td>Identification of Jam %</td> <td>1</td> </tr> <tr> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p><b>Content</b> Jam = 10 % of sales revenue Total sales revenue = \$1 m 10 % of \$1 m = \$100 000</p> <table border="1"> <thead> <tr> <th>Exemplar</th> <th>Marks</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>\$100 000</td> <td>3</td> <td>Correct answer</td> </tr> <tr> <td>100 – 90 = 10 (1) 1 000 000 (1)</td> <td rowspan="2">2</td> <td rowspan="2">Identifies 10% for jam and identifies correct sales revenue of £1m and attempts to apply but is incorrect</td> </tr> <tr> <td>100 = 10 000</td> </tr> <tr> <td>Jam is 10% of revenue</td> <td>1</td> <td>Only calculates jam%</td> </tr> </tbody> </table>	Rationale	Marks	Correct answer, with or without working	3	Attempt with correct figures	2	Identification of Jam %	1	No creditable content	0	Exemplar	Marks	Rationale	\$100 000	3	Correct answer	100 – 90 = 10 (1) 1 000 000 (1)	2	Identifies 10% for jam and identifies correct sales revenue of £1m and attempts to apply but is incorrect	100 = 10 000	Jam is 10% of revenue	1	Only calculates jam%	3
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2(b)(ii)	<p><b>Explain one possible impact on KC of reducing the product portfolio of the business.</b></p> <table border="1"> <thead> <tr> <th>Level</th> <th>Knowledge and Application</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>2b (APP + APP)</td> <td>Explanation of an impact of reducing the product portfolio in context</td> <td>3</td> </tr> <tr> <td>2a (APP)</td> <td>Identification of an impact of reducing the product portfolio in context</td> <td>2</td> </tr> <tr> <td>1 (K)</td> <td>Knowledge of product portfolio/knowledge of an impact</td> <td>1</td> </tr> <tr> <td>0</td> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p><b>Content</b></p> <ul style="list-style-type: none"> <li>• Greater economies of scale from bulk buying more Cream and Chocolate</li> <li>• Specialisation by concentrating on Cream and Chocolate</li> <li>• May reduce customers due to a lack of variety – may not come to shop</li> <li>• Loss of 10% of sales revenue – will it decrease costs much?</li> <li>• Customers may not be able to have what they want – goes against the job production format of the business.</li> </ul>	Level	Knowledge and Application	Marks	2b (APP + APP)	Explanation of an impact of reducing the product portfolio in context	3	2a (APP)	Identification of an impact of reducing the product portfolio in context	2	1 (K)	Knowledge of product portfolio/knowledge of an impact	1	0	No creditable content	0	3								
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Question	Answer						Marks	
2(c)	<b>Analyse one advantage and one disadvantage to KC of using job production.</b>						<b>8</b>	
	<b>Level</b>	<b>Knowledge and Application (4 marks)</b>	<b>Mark</b>	<b>Anno-tation</b>	<b>Analysis (4 marks)</b>	<b>Mark</b>		<b>Anno-tation</b>
		Shows understanding		APP+ APP	Good analysis of one advantage			DEV+ DEV
	2b	of job production in context	<b>4</b>		<b>and</b> one disadvantage to KC of using job production	<b>4</b>		
		Shows understanding		APP	Good analysis of one advantage <b>or</b>			DEV
	2a	of production methods in context	<b>3</b>		one disadvantage to KC of using job production	<b>3</b>		
	1b	Shows knowledge of job production	<b>2</b>	KK	Limited analysis of one advantage <b>and</b> one disadvantage of using job production	<b>2</b>		AN+ AN
	1a	Shows knowledge of production methods	<b>1</b>	K	Limited analysis of one advantage <b>or</b> one disadvantage of using job production	<b>1</b>		AN
	0	No creditable content						

Question	Answer	Marks
2(c)	<p><b>Content</b></p> <p>Advantages:</p> <ul style="list-style-type: none"><li>• Customers can have their cake personalised to their requirements – increase revenue/profits</li><li>• Allows KC to charge a higher price</li><li>• Higher quality cakes – increase word of mouth promotion for KC</li></ul> <p>Disadvantages:</p> <ul style="list-style-type: none"><li>• Higher cost – requires specialist skills and inventory</li><li>• Loss of economies of scale</li><li>• Inventory is perishable but need to keep in stock, just in case</li><li>• Higher price leading to lower demand</li></ul> <p>ARA</p>	

Question	Answer						Marks
2(d)	<b>Evaluate the job description created by James.</b>						<b>11</b>
<b>Knowledge and Application (4 marks)</b>	<b>Mark</b>	<b>Anno- tation</b>	<b>Analysis and Evaluation (7 marks)</b>	<b>Mark</b>	<b>Anno- tation</b>		
			A justified recommendation/judgment based on a developed argument of at least two elements of the job description in context	<b>7</b>			
			A developed recommendation/judgment based on a developed argument of at least two elements of the job description in context	<b>6</b>			
			A basic recommendation/judgment based on a developed argument of at least two elements of the job description in context	<b>5</b>	EVAL		
Shows understanding of <b>two</b> elements of the job description created by James	<b>4</b>	APP + APP	Developed argument of <b>two</b> elements of the job description in context	<b>4</b>			
Shows understanding of <b>one</b> element of the job description created by James	<b>3</b>	APP	Developed argument of <b>one</b> element of the job description in context	<b>3</b>			
Shows knowledge of recruitment process/job descriptions	<b>1-2</b>	K + K	Limited analysis of <b>two</b> elements of a job description	<b>2</b>			
		K	Limited analysis of <b>one</b> element of a job description	<b>1</b>			
No creditable content							

Question	Answer	Marks
2(d)	<p><b>Content</b></p> <ul style="list-style-type: none"> <li>• Specific job title – should only target those who are interested in this job. However, is it too specific – are KC likely to find enough of a pool of people?</li> <li>• Some of the items belong on a person specification.</li> <li>• Specific skills – produce and decorate cakes and creative.</li> <li>• Set hours of work – again should reduce the potential recruits – is it really seven days a week?</li> <li>• Why does the person need to be able to produce and decorate cakes when full training will be given?</li> <li>• Is it legal/ethical to state that the worker should be young? Why is this important?</li> <li>• No mention as to why the worker needs a driving licence?</li> <li>• Rate of pay is very vague – will this put potential applicants off?</li> <li>• Does not mention production method</li> </ul>	