



Cambridge International AS & A Level

BUSINESS

9609/23

Paper 2 Data Response

October/November 2020

MARK SCHEME

Maximum Mark: 60

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 2020 series for most Cambridge IGCSE™, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

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>Define the term ‘shareholder’ (line 3).</p> <table border="1" data-bbox="320 315 1310 577"> <thead> <tr> <th data-bbox="320 315 1158 380">Knowledge</th> <th data-bbox="1158 315 1310 380">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 380 1158 448">A correct definition</td> <td data-bbox="1158 380 1310 448">2</td> </tr> <tr> <td data-bbox="320 448 1158 515">A partial, vague or unfocused definition</td> <td data-bbox="1158 448 1310 515">1</td> </tr> <tr> <td data-bbox="320 515 1158 577">No creditable content</td> <td data-bbox="1158 515 1310 577">0</td> </tr> </tbody> </table> <p>Content A correct definition should include the following elements (allow one mark for each element):</p> <ul data-bbox="320 712 895 779" style="list-style-type: none"> • Owns part/a percentage • ...of a company/limited liability business <table border="1" data-bbox="320 815 1310 1341"> <thead> <tr> <th data-bbox="320 815 759 880">Exemplar</th> <th data-bbox="759 815 874 880">Mark</th> <th data-bbox="874 815 1310 880">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 880 759 981">Owns a part of a limited company</td> <td data-bbox="759 880 874 981">2</td> <td data-bbox="874 880 1310 981">All elements met</td> </tr> <tr> <td data-bbox="320 981 759 1081">Owns a percentage of a limited liability business</td> <td data-bbox="759 981 874 1081">2</td> <td data-bbox="874 981 1310 1081">All elements met</td> </tr> <tr> <td data-bbox="320 1081 759 1149">Owner of a limited company</td> <td data-bbox="759 1081 874 1149">1</td> <td data-bbox="874 1081 1310 1149">Needs ‘PART’ owner</td> </tr> <tr> <td data-bbox="320 1149 759 1249">Has share in/invests capital in a company</td> <td data-bbox="759 1149 874 1249">1</td> <td data-bbox="874 1149 1310 1249">Shares is taut/all business structures require investment</td> </tr> <tr> <td data-bbox="320 1249 759 1341">Control and ownership are not the same thing</td> <td data-bbox="759 1249 874 1341">0</td> <td data-bbox="874 1249 1310 1341">Do not award for control</td> </tr> </tbody> </table>	Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Mark	Rationale	Owns a part of a limited company	2	All elements met	Owns a percentage of a limited liability business	2	All elements met	Owner of a limited company	1	Needs ‘PART’ owner	Has share in/invests capital in a company	1	Shares is taut/all business structures require investment	Control and ownership are not the same thing	0	Do not award for control	2
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1(a)(ii)	<p>Explain what is meant by the term ‘flow production’ (line 16).</p> <p>Award one mark for each point of explanation:</p> <table border="1" data-bbox="320 1473 1310 1767"> <thead> <tr> <th data-bbox="320 1473 435 1538"></th> <th data-bbox="435 1473 1158 1538">Rationale</th> <th data-bbox="1158 1473 1310 1538">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1538 435 1639">C</td> <td data-bbox="435 1538 1158 1639">Example or some other way of showing good understanding</td> <td data-bbox="1158 1538 1310 1639">1</td> </tr> <tr> <td data-bbox="320 1639 435 1706">B</td> <td data-bbox="435 1639 1158 1706">An understanding of it being a production process</td> <td data-bbox="1158 1639 1310 1706">1</td> </tr> <tr> <td data-bbox="320 1706 435 1767">A</td> <td data-bbox="435 1706 1158 1767">An understanding of flow</td> <td data-bbox="1158 1706 1310 1767">1</td> </tr> </tbody> </table> <p><i>C based on A OR B</i></p> <p>Content Flow – a large number of standardised products / constantly produced Production process – the fact it is a process.</p>		Rationale	Marks	C	Example or some other way of showing good understanding	1	B	An understanding of it being a production process	1	A	An understanding of flow	1	3														
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1(b)(i)	<p>Refer to Table 1.1. Calculate the total revenue gained from Vegetarian Victory pies in 2019.</p> <table border="1" data-bbox="339 349 1289 741"> <thead> <tr> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>Correct answer with or without correct working or \$</td> <td>3</td> </tr> <tr> <td>Formula (can be implied) and correct calculation of 2019 sales</td> <td>3</td> </tr> <tr> <td>Formula (can be implied) or correct calculation of 2019 sales</td> <td>1</td> </tr> <tr> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p><i>Note: any relevant figure multiplied by the price implies the correct formula (i.e. $5000 \times \\$2.50$)</i></p> <p>Content $TR = Price \times quantity$ $5000 - 10\% = 4500$ $4500 \times \\$2.50 = \\$11\,250$ Answer = \$11 250</p> <p>OFR</p> <p>Common answers</p> <table border="1" data-bbox="359 1249 1270 1576"> <thead> <tr> <th>Answer</th> <th>Mark</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>11 250</td> <td>3</td> <td>Correct answer – does not need \$</td> </tr> <tr> <td>(–) \$1250 with calculations</td> <td>2</td> <td>Worked out –10%, used the correct formula but wrong final answer</td> </tr> <tr> <td>1250 with no calculations</td> <td>0</td> <td>Wrong answer</td> </tr> </tbody> </table>	Rationale	Marks	Correct answer with or without correct working or \$	3	Formula (can be implied) and correct calculation of 2019 sales	3	Formula (can be implied) or correct calculation of 2019 sales	1	No creditable content	0	Answer	Mark	Rationale	11 250	3	Correct answer – does not need \$	(–) \$1250 with calculations	2	Worked out –10%, used the correct formula but wrong final answer	1250 with no calculations	0	Wrong answer	3
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1(c)	Analyse <u>two</u> economies of scale that AP might lose if the business reduces the total number of pies produced.				8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
	2b	Shows understanding of two (or more) economies of scale in context	4	Good analysis of losing two (or more) economies of scale in context	4
	2a	Shows understanding of one economy of scale in context	3	Good analysis of losing one economy of scale in context	3
	1b	Shows knowledge of two (or more) economies of scale	2	Limited analysis of two (or more) economies of scale	2
	1a	Shows knowledge of one economy of scale	1	Limited analysis of one economy of scale	1
	0	No creditable content			
	<p>Content</p> <ul style="list-style-type: none"> • Technical – capital intensive mass production • Specialisation/managerial – specialist workers make the fillings • Marketing – AP brand is growing in popularity • Purchasing – AP can bulk buy certain ingredients – pastry is shared across all pies and cheese is also used in FF • Financial – AP brand may make it easier/cheaper to fund any new product development/expansion <p>Allow external economies of scale.</p>				
1(c)	Example of an economy of scale (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)		
	Specialisation	Each filling e.g. VV made by specialists	Lose knowledge of flavour profiles which may change the taste and lose custom		
	Purchasing	Vegetables for Vegetarian Victory	Miss out on bulk buy deals which increases the variable costs of the pie		

Question	Answer				Marks
1(d)	Recommend how AP could develop its products in the future. Justify your recommendation.				11
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified recommendation based on argument(s) in context	7	
			Developed recommendation based on argument(s) in context	6	
			An evaluative statement/recommendation based on argument(s) in context	5	
	Shows understanding of two or more elements of product development in context	4	Two or more arguments based on how AP could develop its products in the future	4	
	Shows understanding of one element of product development in context	3	One argument based on how AP could develop its products in the future	3	
	Shows two or more pieces of knowledge of product development	2	Limited analysis of two or more impacts of product development on a business	2	
	Shows one piece of knowledge of product development	1	Limited analysis of one impact of product development on a business	1	
	No creditable content			0	

Question	Answer				Marks														
1(d)	<p>Content</p> <ul style="list-style-type: none"> • Reduce the meat in the MM to meet concerns over health risks. • Pies could be sold into sets of three pies to suit families. • Pies could be sold in variety packs so that it suits a family's tastes and those who do not eat meat. • Could the pies be developed to have a longer 'best before' date or frozen to allow for a longer shelf life? • The price could be increased to allow for the development of a new product or to fund the redevelopment of an existing product. • The data suggests that the MM should be redeveloped to extend the PLC – could it have less meat to meet health concerns? • VV could be redeveloped now that it is in decline, to increase sales – or a new vegetarian product could be developed to replace the VV – importance of non-meat alternatives. <p>Examples</p> <table border="1" data-bbox="320 797 1313 1366"> <thead> <tr> <th data-bbox="320 797 491 862">K</th> <th data-bbox="499 797 668 862">APP</th> <th data-bbox="676 797 847 862">AN</th> <th data-bbox="855 797 1090 862">DEV</th> <th data-bbox="1098 797 1313 862">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 869 491 1025">Longer shelf life</td> <td data-bbox="499 869 668 1025">Short BB date – eat within 2 days</td> <td data-bbox="676 869 847 1025">Could be stored for longer</td> <td data-bbox="855 869 1090 1025">Improve transport economies of scale</td> <td data-bbox="1098 869 1313 1366" rowspan="2">Most important element is to increase shelf life as this reduces wastage / increases range of outlets, which leads to increased total sales</td> </tr> <tr> <td data-bbox="320 1032 491 1366">Increase number of vegetarian pies</td> <td data-bbox="499 1032 668 1366">As consumers worried about health risks of meat</td> <td data-bbox="676 1032 847 1366">Attract new customer base</td> <td data-bbox="855 1032 1090 1366">Increase revenue/profits</td> </tr> </tbody> </table>				K	APP	AN	DEV	EVAL	Longer shelf life	Short BB date – eat within 2 days	Could be stored for longer	Improve transport economies of scale	Most important element is to increase shelf life as this reduces wastage / increases range of outlets, which leads to increased total sales	Increase number of vegetarian pies	As consumers worried about health risks of meat	Attract new customer base	Increase revenue/profits	
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2(b)(i)	<p data-bbox="316 248 1273 309">Refer to Table 2.1. Calculate the break-even quantity of haircuts in a week.</p> <table border="1" data-bbox="320 315 1310 674"> <thead> <tr> <th data-bbox="320 315 1158 376">Rationale</th> <th data-bbox="1158 315 1310 376">Mark</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 376 1158 443">Correct answer with or without correct working or 'haircuts'</td> <td data-bbox="1158 376 1310 443">3</td> </tr> <tr> <td data-bbox="320 443 1158 539">Correct formula (may be implied) and correct calculation of contribution</td> <td data-bbox="1158 443 1310 539">2</td> </tr> <tr> <td data-bbox="320 539 1158 607">Correct formula or correct calculation of contribution</td> <td data-bbox="1158 539 1310 607">1</td> </tr> <tr> <td data-bbox="320 607 1158 674">No creditable content</td> <td data-bbox="1158 607 1310 674">0</td> </tr> </tbody> </table> <p data-bbox="316 707 440 741">Content:</p> <p data-bbox="316 779 882 936">Formula: $\frac{\text{Fixed costs}}{\text{Price} - \text{selling price (contribution)}}$ $\frac{\\$675}{\\$8 - \\$3.50} (1)$</p> <p data-bbox="316 976 584 1048">$\frac{\\$675}{\\$4.50 \text{ (contribution)}}$</p> <p data-bbox="316 1088 632 1122">Answer = 150 (haircuts)</p> <p data-bbox="316 1155 379 1189">OFR</p> <p data-bbox="316 1223 679 1256">Common incorrect answers</p> <table border="1" data-bbox="320 1256 1310 1451"> <thead> <tr> <th data-bbox="320 1256 651 1323">Answer</th> <th data-bbox="651 1256 751 1323">Mark</th> <th data-bbox="751 1256 1310 1323">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1323 651 1391">150</td> <td data-bbox="651 1323 751 1391">3</td> <td data-bbox="751 1323 1310 1391">Correct answer – does not need units</td> </tr> <tr> <td data-bbox="320 1391 651 1451">formula</td> <td data-bbox="651 1391 751 1451">1</td> <td data-bbox="751 1391 1310 1451">Basic understanding</td> </tr> </tbody> </table>	Rationale	Mark	Correct answer with or without correct working or 'haircuts'	3	Correct formula (may be implied) and correct calculation of contribution	2	Correct formula or correct calculation of contribution	1	No creditable content	0	Answer	Mark	Rationale	150	3	Correct answer – does not need units	formula	1	Basic understanding	3
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2(b)(ii)	<p data-bbox="316 241 1302 280">Explain <u>one</u> possible limitation for Lewis of using break-even analysis</p> <table border="1" data-bbox="320 315 1308 741"> <thead> <tr> <th data-bbox="320 315 475 376">Level</th> <th data-bbox="475 315 1158 376">Knowledge and Application</th> <th data-bbox="1158 315 1308 376">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 376 475 477">2b</td> <td data-bbox="475 376 1158 477">Explanation of one limitation of using break-even analysis in context</td> <td data-bbox="1158 376 1308 477">3</td> </tr> <tr> <td data-bbox="320 477 475 577">2a</td> <td data-bbox="475 477 1158 577">Explanation of one limitation of using break-even analysis</td> <td data-bbox="1158 477 1308 577">2</td> </tr> <tr> <td data-bbox="320 577 475 678">1a</td> <td data-bbox="475 577 1158 678">Identification of one limitation of using break-even analysis</td> <td data-bbox="1158 577 1308 678">1</td> </tr> <tr> <td data-bbox="320 678 475 741">0</td> <td data-bbox="475 678 1158 741">No creditable content</td> <td data-bbox="1158 678 1308 741">0</td> </tr> </tbody> </table> <p data-bbox="316 775 432 806">Content</p> <ul data-bbox="316 808 1299 1050" style="list-style-type: none"> • Variable costs (\$3.50) may change – especially with a new hairdresser starting • Fixed costs per week (\$675) may change • Lewis may need to change the price (\$8) especially with competition in the city • It assumes every haircut is the same price, but Lewis may charge less for children, OAPs etc. <p data-bbox="316 1084 587 1117">OFR (from Q2(b)(i))</p> <table border="1" data-bbox="320 1151 1308 1615"> <thead> <tr> <th data-bbox="320 1151 576 1252">Identification of a limitation</th> <th data-bbox="576 1151 911 1252">Explanation</th> <th data-bbox="911 1151 1308 1252">Possible context</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1252 576 1386">Only a prediction</td> <td data-bbox="576 1252 911 1386">So does not take unexpected debts into consideration</td> <td data-bbox="911 1252 1308 1386">E.g. may increase from £3.50 if new hairdresser starts</td> </tr> <tr> <td data-bbox="320 1386 576 1487">Only an estimate</td> <td data-bbox="576 1386 911 1487">Fixed costs may change</td> <td data-bbox="911 1386 1308 1487">From \$675</td> </tr> <tr> <td data-bbox="320 1487 576 1615">Assumes all services charged same price</td> <td data-bbox="576 1487 911 1615">But may vary with discounts</td> <td data-bbox="911 1487 1308 1615">E.g. may charge less for OAP haircuts</td> </tr> </tbody> </table>	Level	Knowledge and Application	Marks	2b	Explanation of one limitation of using break-even analysis in context	3	2a	Explanation of one limitation of using break-even analysis	2	1a	Identification of one limitation of using break-even analysis	1	0	No creditable content	0	Identification of a limitation	Explanation	Possible context	Only a prediction	So does not take unexpected debts into consideration	E.g. may increase from £3.50 if new hairdresser starts	Only an estimate	Fixed costs may change	From \$675	Assumes all services charged same price	But may vary with discounts	E.g. may charge less for OAP haircuts	3
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2(c)	Analyse <u>one</u> advantage and <u>one</u> disadvantage for Lewis of operating as a small business.				8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
	2	Shows understanding of small business in context	3–4	Good analysis of one disadvantage and one advantage of being a small business in context	4
				Good analysis of one disadvantage or one advantage of being a small business in context	3
	1	Shows knowledge of small business	1–2	Limited analysis of one disadvantage and one advantage of being a small business	2
				Limited analysis of one disadvantage or one advantage of being a small business	1
	0	No creditable content			
	<p>Content</p> <p><i>Advantages:</i></p> <ul style="list-style-type: none"> • Easier to organise – Lewis is the only employee (at the moment), only one set of bookings etc. • Flexibility – Lewis can quickly and easily respond to marketing from the franchises – they however are unlikely to be able to respond as quickly. • Personalised customer service – Lewis has many repeat customers – this suggests he has a good relationship which is probably lacking in a bigger business. <p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> • Access to finance – Lewis may struggle to obtain finance because he on his own and may have limited assets. Shop is rented. • Larger franchises may be able to gain economies of scale which will not be available to Lewis – they are able to charge lower prices and undercut Lewis. • Limited funds to compete against the competition – they are likely to be able to afford above the line promotion methods whereas Lewis is unlikely to be able to access these. 				

Question	Answer			Marks
2(c)	Example of knowledge (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	
	Unlimited liability	Sole trader	So personal possessions are at risk and could lose his house	
	Easy to organise	There is only one employee (himself)	Does not have to create rotas which reduces time taken for paperwork	

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2(d)	Refer to Fig 2.1 and any other relevant information. Evaluate the usefulness of the person specification when recruiting another hairdresser.				11																																				
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<p>Content</p> <p>Lewis needs an employee to work on their own, be responsible for bookings, deal with customers and do some financial transactions.</p> <ul style="list-style-type: none"> • Hairdressing qualification makes sense and would be a good way to differentiate between those who might be able to do the job and those who cannot however is a formal qualification needed if the experience is in place? • A-Levels (or high school standards) in Mathematics and Business seems a high level of qualification for what Lewis needs. May restrict the number of applicants. • It may be illegal to set an age limit – why does the employee need to be between 18 and 30 years old? May restrict applicants and Lewis may end up fined. 																																									

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2(d)	<ul style="list-style-type: none"> • Specifying a female may be illegal. Why would a female make a better hairdresser? Is it to compliment Lewis (who may specialise in men’s hair) in which case the person specification may be poorly written (need someone who specialises in women’s hair) • No experience, as essential, seems unlikely – Lewis needs them to work on their own – the desirable column should be essential to get what he wants and not waste his time sifting through applications which are unsuitable (for trainees). • Why is ability to work in a team essential when the person will be working on their own? • Good communication makes sense and should help Lewis to maintain his loyal customers. • What does friendly mean – why is it desirable? Is this linked to customer service – could be more specific. <p>Examples of how an answer could develop and how it should be annotated.</p> <table border="1" data-bbox="316 831 1318 1426"> <thead> <tr> <th data-bbox="316 831 523 891">K</th> <th data-bbox="531 831 722 891">APP</th> <th data-bbox="730 831 911 891">AN</th> <th data-bbox="919 831 1099 891">DEV</th> <th data-bbox="1107 831 1318 891">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 891 523 1093">Provides a list of essential and desirable</td> <td data-bbox="531 891 722 1093">E.g. hairdressing qualification</td> <td data-bbox="730 891 911 1093">Limits applicants to those who can do the job</td> <td data-bbox="919 891 1099 1093">Saves interviewing time</td> <td data-bbox="1107 891 1318 1426" rowspan="2">The PS are useful because they limit the number of candidates and any illegal/wrong elements can be easily changed to ensure only quality applicants apply</td> </tr> <tr> <td data-bbox="316 1093 523 1426">May be illegal/discriminatory</td> <td data-bbox="531 1093 722 1426">Between 18–30</td> <td data-bbox="730 1093 911 1426">May lead to a fine</td> <td data-bbox="919 1093 1099 1426">Which reduces profits</td> </tr> </tbody> </table>				K	APP	AN	DEV	EVAL	Provides a list of essential and desirable	E.g. hairdressing qualification	Limits applicants to those who can do the job	Saves interviewing time	The PS are useful because they limit the number of candidates and any illegal/wrong elements can be easily changed to ensure only quality applicants apply	May be illegal/discriminatory	Between 18–30	May lead to a fine	Which reduces profits	
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