
BUSINESS

9609/23

Paper 2 Data Response

October/November 2019

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 2019 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **18** 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="316 248 963 282">Define the term ‘secondary research’ (line 20).</p> <table border="1" data-bbox="316 315 1313 573"> <thead> <tr> <th data-bbox="316 315 1114 378">Knowledge and Application</th> <th data-bbox="1114 315 1313 378">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 378 1114 443">A correct definition</td> <td data-bbox="1114 378 1313 443">2</td> </tr> <tr> <td data-bbox="316 443 1114 508">A partial, vague or unfocused definition</td> <td data-bbox="1114 443 1313 508">1</td> </tr> <tr> <td data-bbox="316 508 1114 573">No creditable content</td> <td data-bbox="1114 508 1313 573">0</td> </tr> </tbody> </table> <p data-bbox="316 611 440 645">Content: Existing data (1) which has already been gathered and organised for another purpose(1)</p> <p data-bbox="316 745 703 779">No examples to be credited</p> <p data-bbox="316 813 384 846">ARA</p> <table border="1" data-bbox="316 880 1313 1335"> <thead> <tr> <th data-bbox="316 880 890 943">Exemplar</th> <th data-bbox="890 880 1002 943">Mark</th> <th data-bbox="1002 880 1313 943">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 943 890 1041">Using existing data (1) Collected for another purpose/reason (1)</td> <td data-bbox="890 943 1002 1041">2</td> <td data-bbox="1002 943 1313 1041">Two separate defined points</td> </tr> <tr> <td data-bbox="316 1041 890 1142">already gathered (1) for another purpose (1)</td> <td data-bbox="890 1041 1002 1142">2</td> <td data-bbox="1002 1041 1313 1142">Two separate defined points</td> </tr> <tr> <td data-bbox="316 1142 890 1205">Gathered by another business</td> <td data-bbox="890 1142 1002 1205">1</td> <td data-bbox="1002 1142 1313 1205">One element only</td> </tr> <tr> <td data-bbox="316 1205 890 1267">Using existing data</td> <td data-bbox="890 1205 1002 1267">1</td> <td data-bbox="1002 1205 1313 1267">One element only</td> </tr> <tr> <td data-bbox="316 1267 890 1335">Second hand research/data</td> <td data-bbox="890 1267 1002 1335">0</td> <td data-bbox="1002 1267 1313 1335">Tautological</td> </tr> </tbody> </table>	Knowledge and Application	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Mark	Rationale	Using existing data (1) Collected for another purpose/reason (1)	2	Two separate defined points	already gathered (1) for another purpose (1)	2	Two separate defined points	Gathered by another business	1	One element only	Using existing data	1	One element only	Second hand research/data	0	Tautological	2
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<p>Content</p> <ul style="list-style-type: none"> • May mention one of Mintzberg’s functions of management (Figurehead, Leader, Liaison Monitor, Disseminator, Spokesperson, Entrepreneur, Disturbance Handler, Resource Allocator, Negotiator) but for context mark must refer to operations. • Operations manager functions such as producing the right amount of a good or service, at the right time, of the right quality and at the right cost to meet customer requirements. 																		
<p>ARA Example of how responses should be marked</p>																		
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1(c)	Analyse <u>two</u> methods which could be used to improve the motivation of BB's sales staff				8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
	2b	Shows understanding of two motivation methods could be used for BB's sales staff	4	Developed analysis of two motivational methods that BB could use to motivate its sales staff	4
	2a	Shows understanding of one motivation method could be used for BB's sales staff	3	Developed analysis of one motivational method that BB could use to motivate its sales staff	3
	1b	Shows knowledge of two motivation methods	2	Limited analysis of two motivational methods that BB could use to motivate its sales staff	2
	1a	Shows knowledge of one motivation method	1	Limited analysis of one motivational method that BB could use to motivate its sales staff	1
	0	No creditable content			0
<p>ARA May mention financial and/non-financial motivators.</p> <p>Content:</p> <ul style="list-style-type: none"> • Salaried employees so could change to include commission payments • Set sales target with a bonus for meeting target • Offer a profit-sharing scheme • Re-train as sales staff rely on repeat custom so training in attracting new customers • Encourage participation in identifying new outlets especially if go ahead with the new design • Fringe benefits such as a company car to go and meet new customers • Provide more promotion opportunities • May refer to needs such as self-actualisation 					

Question	Answer				Marks
1(c)	K	APP*	AN	DEV	
	Targets & bonus	For the new foldable bike/ To find new (ind) bike retailers	Which would provide financial incentives	But may lead to mis-selling/ hard sales tactics	
	Commission	Based on how many bikes sold	Which would reduce the safety of a salary	And force staff to look for new customers	
	Retraining	To upskill selling skills to new bike retailers	So employees would be more confident approaching new customers	And building a wider customer base	
	Fringe benefits	Provide company cars to approach new bike retailers	But may be expensive	And reduce 50% gross profit margins	
*For app, 'customer' is too vague, needs reference to 'bike retailers'					

Question	Answer				Marks
1(d)	Recommend which proposal for increasing revenue the Directors of BB should choose. Justify your recommendation.				11
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified recommendation based on arguments in context	7	
			Developed recommendation based on arguments in context	6	
			An evaluative statement/ recommendation based on arguments in context	5	
	Understanding of two factors in decision making in context	4	Argument based on two factors of decision making in context	4	
	Understanding of one factor in decision making in context	3	Argument based on one factor of decision making in context	3	
	Knowledge of two factors of decision making by firms	2	limited analysis of two factors of decision making by firms	2	
	Knowledge of one factor of decision making by firms	1	limited analysis of one factor of decision making by firms	1	

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1(d)	<p><i>Context must be explicit not just implied based on the 3 proposals – new product/market, stock management and/or motivation of sales employees</i></p> <p>Context/content:</p> <ul style="list-style-type: none"> • Moneeb – Change inventory control to JIT, retail sales, improved gross profit margin, utilise spare capacity. Is the location suitable for retail? How easy to re-organise stock system? Implied criticism of stock manager. Requires investment. • Lia – new design of foldable bike/bicycle/cycle, growing niche market, premium prices could lead to higher profit. Risky as not known in that market. Will require marketing campaign – extra costs. Needs more research. Requires investment. • Allow candidates to use Johns contribution as a proposal <table border="1" data-bbox="316 824 1315 1317"> <thead> <tr> <th data-bbox="316 824 488 889">K</th> <th data-bbox="493 824 665 889">APP</th> <th data-bbox="670 824 810 889">AN</th> <th data-bbox="815 824 1043 889">DEV</th> <th data-bbox="1048 824 1315 889">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 889 488 1088">gross profit margin</td> <td data-bbox="493 889 665 1088">50% for the folding bike</td> <td data-bbox="670 889 810 1088">More stock – already high inventory</td> <td data-bbox="815 889 1043 1088">Opportunity cost of stock held (Re-purpose of existing stock)</td> <td data-bbox="1048 889 1315 1317" rowspan="2">Should choose folding bikes because area of expertise and has existing sales channels, may not have enough capital to invest in new shop</td> </tr> <tr> <td data-bbox="316 1088 488 1317">Marketing knowledge</td> <td data-bbox="493 1088 665 1317">B2B only – no knowledge of consumer sales</td> <td data-bbox="670 1088 810 1317">Risky as have to start from nothing</td> <td data-bbox="815 1088 1043 1317">Have to compete against established companies.</td> </tr> </tbody> </table>				K	APP	AN	DEV	EVAL	gross profit margin	50% for the folding bike	More stock – already high inventory	Opportunity cost of stock held (Re-purpose of existing stock)	Should choose folding bikes because area of expertise and has existing sales channels, may not have enough capital to invest in new shop	Marketing knowledge	B2B only – no knowledge of consumer sales	Risky as have to start from nothing	Have to compete against established companies.	
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2(a)(ii)	<p>Explain the term “crowd funding’ (line 6).</p> <p>Award one mark for each point of explanation</p> <table border="1" data-bbox="316 344 1315 775"> <thead> <tr> <th></th> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>E.g. or some other way of showing good understanding; Often using the internet ; may be incentives; Many small investors</td> <td>3</td> </tr> <tr> <td>B</td> <td>Each investor contributes a small amount</td> <td>2</td> </tr> <tr> <td>A</td> <td>Source of finance/investment</td> <td>1</td> </tr> <tr> <td></td> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p>B and C does not require the A mark to be present</p> <p>Answers could include:</p> <p>Raising money for a project or venture, (A) from a large number of people, who each contribute a relatively small amount, (B) typically via the Internet. (C)</p> <table border="1" data-bbox="316 1077 1315 1505"> <thead> <tr> <th></th> <th>Mark</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>A source of finance, where many small investors each contribute a small amount for benefits such as being able to buy the first production run</td> <td>3</td> <td>All three elements covered</td> </tr> <tr> <td>A source of finance where many small investors each contribute a small amount for benefits</td> <td>2</td> <td>Point A and B</td> </tr> <tr> <td>Many small investors</td> <td>1</td> <td>Point C only</td> </tr> </tbody> </table>		Rationale	Marks	C	E.g. or some other way of showing good understanding; Often using the internet ; may be incentives; Many small investors	3	B	Each investor contributes a small amount	2	A	Source of finance/investment	1		No creditable content	0		Mark	Rationale	A source of finance, where many small investors each contribute a small amount for benefits such as being able to buy the first production run	3	All three elements covered	A source of finance where many small investors each contribute a small amount for benefits	2	Point A and B	Many small investors	1	Point C only	3
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	<p>e.g.</p> <p>Revenue – (total costs) = profit (1 mark) Revenue – (direct costs) = profit</p> <p>Revenue = $(225 \times \\$25) + (175 \times \\$200) \times (125 \times \\$275) = \\$75\,000$ (2 marks)</p> <p>$\\$75\,000 - (\\$30\,000 + \\$15\,000) = \\$30\,000$ (profit for the year) (3 marks) $\\$75\,000 - \\$30\,000 = \\$45\,000$ (gross profit)</p> <p>Accept either gross profit or Profit for the year figures Common incorrect answers</p> <table border="1"> <thead> <tr> <th>Answer</th> <th>Mark</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>30 000 or 30</td> <td>3</td> <td>Dollar sign and '000 not required</td> </tr> <tr> <td>45 000 or 45</td> <td>3</td> <td>Dollar sign and '000 not required</td> </tr> <tr> <td>75 000 or 75</td> <td>2</td> <td>Dollar sign, '000 and working not required (as a recognisable figure)</td> </tr> </tbody> </table>	Answer	Mark	Rationale	30 000 or 30	3	Dollar sign and '000 not required	45 000 or 45	3	Dollar sign and '000 not required	75 000 or 75	2	Dollar sign, '000 and working not required (as a recognisable figure)	
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2(c)	Analyse <u>two</u> ways in which emotional intelligence may help Nadia be an effective leader.				8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
	2b	Understanding of two elements of emotional intelligence in context	4	Developed analysis of two ways a leader can use emotional intelligence in context	4
	2a	Understanding of one element of emotional intelligence in context	3	Developed analysis of one way a leader can use emotional intelligence in context	3
	1b	Shows knowledge of two elements of emotional intelligence	2	Limited analysis of two ways a leader can use emotional intelligence	2
	1a	Shows knowledge of one element of emotional intelligence	1	Limited analysis of one way a leader can use emotional intelligence	1
	0	No creditable content			0
<p>Knowledge – Emotional Intelligence (EI)</p> <ul style="list-style-type: none"> recognising and managing your emotions and those of others. Goleman’s four competencies of emotional intelligence: <ul style="list-style-type: none"> self-awareness, self-management, social awareness, and social skills. <p>Application and analysis– linked to one aspect of knowledge</p> <ul style="list-style-type: none"> Nadia’s leadership of a start-up internet business employing a young staff – lack of experience. All staff are part-time so important to manage well, keep happy and ensure good customer relations. Staff unlikely to have many opportunities to meet as working from home which can be alienating and a leader should recognise this and take action to help develop a team spirit/engage employees. 					

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2(d)	Evaluate whether Nadia should form a business partnership with Emma				11
	Marks	Analysis and Evaluation (7 marks)	Marks		
		Justified evaluation based on arguments in context	7		
		Developed evaluation based on arguments in context	6		
		An evaluative statement based on arguments in context	5		
Shows understanding of two characteristics of legal ownership in context	4	Arguments based on changing legal ownership in context	4		
Shows understanding of one characteristic of legal ownership in context	3		3		
Shows knowledge of two characteristics of legal ownership	2	limited analysis of changing legal ownership	2		
Shows knowledge of one characteristic of legal ownership	1		1		

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2(d)	<p><i>Context must be explicit not just implied and based on the leadership styles, structure of the firm and changing from sole trader to partnership</i></p> <p>Context/content:</p> <ul style="list-style-type: none"> • Leadership styles may clash – autocratic v laissez-faire/Loss of control/Conflict may arise • Nadia will have to share profits (forecast only \$30k/45k profit) • Emma may not want to form a business partnership with Nadia. She may have a job she is happy with or she may have her own business • Emma could contribute additional capital but does she have enough resources to 'buy-in'? • Emma's skills and expertise could complement Nadia's / Decision making shared • Shared risks • Help Nadia to expand the business • Running a business is not the same as leading a group project – Emma may not be as skilled in business <table border="1" data-bbox="316 869 1315 1570"> <thead> <tr> <th data-bbox="316 869 497 934">K</th> <th data-bbox="502 869 639 934">APP</th> <th data-bbox="644 869 858 934">AN</th> <th data-bbox="863 869 1037 934">DEV</th> <th data-bbox="1042 869 1315 934">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 940 497 1198">Sole trader makes all business decisions</td> <td data-bbox="502 940 639 1198">Emma often takes charge</td> <td data-bbox="644 940 858 1198">And an autocratic leadership style could disenfranchise casual employees</td> <td data-bbox="863 940 1037 1198">Which may affect employee retention and recruitment</td> <td data-bbox="1042 940 1315 1198">Nadia should form a business partnership as she has identified her leadership style is not appropriate (EVAL)</td> </tr> <tr> <td data-bbox="316 1205 497 1570">Partnership profits are shared</td> <td data-bbox="502 1205 639 1570">Nadia will have to share profits (forecast only \$30/45k profit)</td> <td data-bbox="644 1205 858 1570">So Emma may want to charge more</td> <td data-bbox="863 1205 1037 1570">Which could take the focus away from the social enterprise.</td> <td data-bbox="1042 1205 1315 1570">And Emma could take control of employee and task management (EVAL EVAL) Leaving Nadia free to concentrate on other aspects such as marketing and growth.</td> </tr> </tbody> </table>					K	APP	AN	DEV	EVAL	Sole trader makes all business decisions	Emma often takes charge	And an autocratic leadership style could disenfranchise casual employees	Which may affect employee retention and recruitment	Nadia should form a business partnership as she has identified her leadership style is not appropriate (EVAL)	Partnership profits are shared	Nadia will have to share profits (forecast only \$30/45k profit)	So Emma may want to charge more	Which could take the focus away from the social enterprise.	And Emma could take control of employee and task management (EVAL EVAL) Leaving Nadia free to concentrate on other aspects such as marketing and growth.	
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