



National  
Qualifications  
2024

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**2024 Business Management**

**Higher**

**Question Paper Finalised Marking Instructions**

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## General marking principles for Higher Business Management

*Always apply these general principles. Use them in conjunction with the detailed marking instructions, which identify the key features required in candidates' responses.*

- (a) Always use positive marking. This means candidates accumulate marks for the demonstration of relevant skills, knowledge and understanding; marks are not deducted for errors or omissions.
- (b) If a candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.
- (c) For **describe** questions, candidates must make a number of relevant, factual points up to the total mark allocation for the question. These should be key points; they do not need to be in any particular order. Candidates may provide a number of straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question

- award **1 mark** for each accurate relevant point of knowledge
- award a second mark for any point that is developed from the point of knowledge.

- (d) For **explain** questions, candidates must make a number of points that relate cause and effect and/or make the relationships between things clear, for example by showing connections between a process/situation. These should be key reasons and may include theoretical concepts. There is no need to prioritise the reasons. Candidates may provide a number of straightforward reasons or a smaller number of developed reasons, or a combination of these.

Up to the total mark allocation for this question

- award **1 mark** for each accurate relevant point of reason
- award a second mark for any other point that is developed from the same reason.

For each relevant point of reason candidates must give a point of identification and a point of explanation to gain a mark. This is exemplified in the marking instructions, a dash (–) is used to show the two parts of the response.

- (e) For **compare** questions, candidates must demonstrate knowledge and understanding of similarities and/or differences between things, methods or choices. The relevant comparison points could include theoretical concepts.

Up to the total mark allocation for this question

- award **1 mark** for each accurate point of comparison.

Where a mark is available for the development of a response this is exemplified in the marking instructions, a hollow bullet point is used to show the developed response.

## Marking instructions for each question

### Section 1

Question			Expected response(s)	Max mark	Additional guidance
1.	(a)	(i)	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• over 36,000 products</li> <li>• experience in the fashion industry/market</li> <li>• popular brand image</li> <li>• diverse retail brand portfolio</li> <li>• effective distribution facilities and network</li> <li>• sales revenue/GP/PftY all increased in 2021</li> <li>• wide online presence</li> </ul> <p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• using suppliers with questionable ethics/paying staff low wages</li> <li>• newly made plastics are currently heavily used in its production process</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• demand for Western goods in the Asian region</li> <li>• demand for Nasty Gal outside of USA</li> <li>• rise in demand for Boohoo's goods</li> <li>• the 'Throwaway' culture in the UK</li> <li>• growing trend in 'fast fashion' goods</li> </ul> <p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• campaign group Labour Behind the Label/RSA can pressure Boohoo</li> <li>• introduction of a plastic tax</li> <li>• competitor fashion brands, eg Misguided</li> <li>• BBC reported price discrepancies across its portfolio</li> </ul>	4	<p>Candidates must describe <b>one</b> example of each element of a SWOT analysis to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(ii)	<ul style="list-style-type: none"> <li>• <u>shareholders</u> will want greater profit margins/to receive greater dividends, but the <u>RSA</u> are pushing for firms like Boohoo to stop using cheap newly made plastics in production</li> <li>• the <u>UK government</u> wants less waste going to landfill but Boohoo's <u>mangers</u> keep selling low-priced goods that end up in landfill</li> <li>• <u>suppliers</u> want to keep paying labour low wages but Boohoo's <u>managers</u> want to disassociate/terminate contracts with these suppliers</li> <li>• <u>Labour Behind the Label/pressure groups</u> want fair wages but Boohoo's <u>suppliers</u> will not want to increase their wage costs</li> <li>• Boohoo's <u>managers</u> will want to downsize newly purchased retail brands, but the <u>workforce</u> of the acquired brand will want to remain employed</li> <li>• <u>customers</u> want cheap purchase prices of fashion goods whereas <u>managers</u> want to increase the profit</li> <li>• <u>communities</u> will be concerned about increasing damage to the environment, but <u>managers</u> will want to grow the business</li> </ul>	2	<p>Candidates must describe 2 conflicts to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Candidates may use the same conflict eg underpayment of workers for each point as long as at least one of the stakeholders is different.</p> <p>Boohoo Group plc is not a stakeholder.</p> <p>Competitors are not a stakeholder.</p> <p>Suppliers' employees are not a stakeholder.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(b) (i)	<p><b>Costs</b></p> <ul style="list-style-type: none"> <li>• <u>loss of jobs</u> - increases unemployment in the UK</li> <li>• large amount of capital is required to make the investment</li> <li>• customers could be exploited by different pricing between the brands</li> <li>• difficult for new firms to enter the market as Boohoo has grown so large</li> </ul> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• <u>acquired Nasty Gal</u> - allows expansion into new markets</li> <li>• <u>bought online department store Debenhams</u> - convenient for customers <ul style="list-style-type: none"> <li>○ wide variety of products offered</li> </ul> </li> <li>• allows for economies of scale/bulk-buying discount from suppliers</li> <li>• risk is spread between different brands</li> <li>• rivals are reduced by the takeover process <ul style="list-style-type: none"> <li>○ increase in market share/sales revenue</li> </ul> </li> <li>• failing retailers can be purchased at lower costs</li> </ul>	4	<p>Candidates must discuss at least <b>one</b> cost and <b>one</b> benefit to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussed point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept any other suitable response.</p>
	(ii)	<ul style="list-style-type: none"> <li>• different product safety standards</li> <li>• product specifications may need adapted to suit new market</li> <li>• language barriers <ul style="list-style-type: none"> <li>○ Boohoo may need to pay for marketing to be translated</li> </ul> </li> <li>• distance increases lead times</li> <li>• time differences may slow down communication</li> <li>• competition from Asian brands that are already established <ul style="list-style-type: none"> <li>○ Boohoo may need to lower its profit margins to enable penetration pricing</li> </ul> </li> <li>• payment of import taxes</li> <li>• Boohoo managers transferred may need visas</li> <li>• differing legislation may require policies/processes to be changed</li> <li>• exchange rates fluctuations</li> </ul>	3	<p>Candidates must discuss at least <b>2</b> challenges to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussed point.</p> <p>Award <b>1 mark</b> for a valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(c) (i)	<p><b>finance</b></p> <ul style="list-style-type: none"> <li>• <u>plastic tax could be introduced</u> - reducing taxation payments</li> <li>• <u>60 % of Boohoo’s clothing made of plastics</u> - may require capital expenditure/new machinery to reduce this</li> <li>• sustainably sourced materials may be more expensive</li> <li>• increased sales revenue/volume from ethically conscious customers</li> </ul> <p><b>marketing</b></p> <ul style="list-style-type: none"> <li>• publicising this improves reputation/image/PR</li> <li>• product packaging/label information will need adapted</li> <li>• promotion will be required to advertise Boohoo using fully sustainability materials</li> <li>• higher prices may be charged to cover any increased costs</li> </ul>	2	<p>Candidates must describe <b>one</b> effect for each functional area to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Accept any other suitable response.</p>
	(ii)	<p><b>UK’s ‘throwaway’ clothing culture</b></p> <ul style="list-style-type: none"> <li>• <u>customers purchase rather than reuse/repair</u> - increased sales revenue for Boohoo <ul style="list-style-type: none"> <li>○ increased VAT payments to the government</li> </ul> </li> <li>• <u>items end up in landfill</u> - damaging the environment</li> <li>• <u>poor quality fashion goods</u> - mean customers need to make repeat purchases <ul style="list-style-type: none"> <li>○ decreasing customers’ funds for spending elsewhere</li> <li>○ allows customers’ access to lower-price products</li> </ul> </li> </ul> <p><b>possible introduction of a plastic tax in the UK</b></p> <ul style="list-style-type: none"> <li>• increases costs of using newly made plastics - lowering profit margins</li> <li>• encourages firms to source recyclable/natural materials - often more expensive</li> <li>• creates another income for the government - may be used to improve state services</li> <li>• may increase price - if the tax is passed onto customer</li> <li>• encourages firms to change production processes - increase in capital expenditure</li> </ul>	4	<p>Candidates must explain at least <b>one</b> impact for each external factor to gain full marks.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept any other suitable response.</p>

Question	Expected response(s)	Max mark	Additional guidance
(d)	<ul style="list-style-type: none"> <li>• <u>Boohoo has terminated many suppliers' contracts</u> - reducing their sales revenue/income from Boohoo as a client               <ul style="list-style-type: none"> <li>○ Boohoo would need to source a new supplier</li> </ul> </li> <li>• <u>Boohoo published a list of 1,100 factories it used</u> - this would have been a time-consuming process</li> <li>• <u>Scrutiny from Label behind the label campaign group</u>- resulting in a negative reputation</li> <li>• workers will not be paid their rightful wage - which lowers their disposable income/personal wealth</li> <li>• Boohoo will be associated with unethical suppliers - generating negative media attention/bad press               <ul style="list-style-type: none"> <li>○ may result in customers shopping with rivals</li> </ul> </li> <li>• UK government may not receive the correct amount of income tax - less funding for developing state services</li> <li>• Boohoo's suppliers may be fined - increasing their costs/expenses</li> <li>• Boohoo's suppliers may have to backdate payment to workers - increasing their wage expenses</li> <li>• Boohoo's suppliers may enter into legal disputes - resulting in costly legal fees</li> <li>• suppliers would have been able to lower production costs - Boohoo will have benefitted from low purchase costs               <ul style="list-style-type: none"> <li>○ resulting in a greater (gross) profit</li> </ul> </li> </ul>	4	<p>Candidates must explain at least 2 consequences to gain full marks.</p> <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(e)	<p><b>Costs</b></p> <ul style="list-style-type: none"> <li>• longer lead times than a decentralised model</li> <li>• high warehouse/security/insurance/running costs of the centres</li> <li>• damage to the facility affects all of the inventory (eg fire/flood etc) <ul style="list-style-type: none"> <li>○ can lead to a halt/delays in distribution/production</li> </ul> </li> <li>• increased theft due to holding large quantity of inventory</li> </ul> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• allows for consistent inventory management processes</li> <li>• reduced theft as security may be better in a controlled location</li> <li>• saves on the costs associated with multiple distribution centres</li> <li>• allows for stockpiling to cope with surges in demand</li> </ul>	4	<p>Candidates must discuss at least <b>one</b> cost and <b>one</b> benefit to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussed point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Flips need to be qualified.</p> <p>Accept any other suitable response.</p>
	(f)	<p><b>Profit for the Year <u>increased</u> due to:</b></p> <ul style="list-style-type: none"> <li>• the number of online sales increased</li> <li>• the increase in sales from ‘throwaway’, fast-fashion in the UK</li> <li>• inherited customers from the takeovers</li> <li>• targeting new customers using different retail brands</li> <li>• low purchase costs/decreasing cost of sales</li> <li>• use of cheap materials eg new plastics</li> <li>• the increase in gross profit</li> <li>• increasing selling prices</li> <li>• decreasing expenses</li> <li>• an increase in other income eg discounts from suppliers</li> </ul>	3	<p>Candidates must describe <b>3</b> reasons to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Accept any other suitable response.</p>

## Section 2

Question		Expected response(s)	Max mark	Additional guidance
2.	(a)	<p><b>Market skimming</b></p> <ul style="list-style-type: none"> <li>• a high price is initially set for the product</li> <li>• once more competition enters the market and many consumers have the product, the price will decrease</li> </ul> <p><b>Penetration pricing</b></p> <ul style="list-style-type: none"> <li>• a low price is set initially to attract customers away from competitors</li> <li>• once the product has become popular/has established a customer base the price will increase/in line with competitors' prices</li> <li>• used when an organisation is trying to break into an established market</li> </ul> <p><b>Destroyer pricing</b></p> <ul style="list-style-type: none"> <li>• organisation launches the product at artificially/unsustainable/very low price to destroy any competition within the market</li> <li>• once the competition has been destroyed prices will increase</li> </ul> <p><b>Promotional pricing</b></p> <ul style="list-style-type: none"> <li>• price of product will be set lower (than a market price) as it has just been launched <ul style="list-style-type: none"> <li>○ to help create interest in the new product</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>• <b>Loss leaders...</b></li> <li>• <b>Psychological...</b></li> <li>• <b>Cost plus...</b></li> </ul>	5	<p>Candidates must describe at least 2 pricing strategies to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p>Labels are not required. If label is used, it must match the description (for markers).</p> <p>Accept any appropriate pricing strategy.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance												
	(b)	<ul style="list-style-type: none"> <li>• launch an advertising campaign (on TV/radio/newspaper etc)</li> <li>• reduce the price</li> <li>• improve the product (by adding new features/reducing the weight/size etc)</li> <li>• change the product use (to appeal to different markets)</li> <li>• introduce line extensions/variety</li> <li>• change the place of sale (for example, online/retail/agent/wholesaler/abroad)</li> <li>• rebrand the product</li> <li>• change the packaging</li> </ul>	4	<p>Candidates must describe 4 strategies to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Examples are not required.</p> <p>Accept any other suitable response.</p>												
	(c)	<table border="1"> <tr> <td><b>Random sampling</b></td> <td rowspan="4" style="text-align: center; vertical-align: middle;"><b>whereas</b></td> <td><b>Quota sampling</b></td> </tr> <tr> <td>selecting individuals with no specific criteria</td> <td>choosing individuals based on relevant characteristic</td> </tr> <tr> <td>requires a large number of individuals to be credible</td> <td>sampling can be done with a selected group</td> </tr> <tr> <td>limits the bias which may occur</td> <td>participants chosen by the interviewer, so could be biased</td> </tr> <tr> <td colspan="3">both may be time consuming in to select and sample individuals</td> </tr> </table>	<b>Random sampling</b>	<b>whereas</b>	<b>Quota sampling</b>	selecting individuals with no specific criteria	choosing individuals based on relevant characteristic	requires a large number of individuals to be credible	sampling can be done with a selected group	limits the bias which may occur	participants chosen by the interviewer, so could be biased	both may be time consuming in to select and sample individuals			2	<p>Award 1 mark for each valid comparison.</p> <p>Accept any other suitable response.</p>
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selecting individuals with no specific criteria		choosing individuals based on relevant characteristic														
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both may be time consuming in to select and sample individuals																

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	(d)	<ul style="list-style-type: none"> <li>• <b>quality circle</b> is a group of workers who meet at regular intervals with management</li> <li>• <b>worker director</b> is when a lower level employee is given a place on the board of directors <ul style="list-style-type: none"> <li>○ they have no voting powers/director privileges</li> </ul> </li> <li>• <b>works councils</b> are made up of an equal number of employees and managers meeting to discuss issues <ul style="list-style-type: none"> <li>○ they allow for consultation between employers and employees</li> </ul> </li> <li>• <b>open door management/policy</b> managers will meet with employees at any appropriate time</li> <li>• <b>trade union representation</b> so members benefit from collective bargaining power <ul style="list-style-type: none"> <li>○ experienced union leaders to represent employees</li> </ul> </li> <li>• <b>consultation...</b></li> <li>• <b>empowerment...</b></li> <li>• <b>delegation...</b></li> <li>• <b>appraisal...</b></li> <li>• <b>training...</b></li> <li>• <b>flexible working practices...</b></li> </ul>	4	<p>Candidates must describe at least <b>2</b> ways to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)		Max mark	Additional guidance													
3.	(a)	<table border="1"> <tr> <td><b>bank loan</b></td> <td rowspan="3" style="text-align: center; vertical-align: middle;"><b>whereas</b></td> <td><b>government grant</b></td> </tr> <tr> <td>has to be repaid with interest/over time</td> <td>doesn't have to be repaid</td> </tr> <tr> <td>can get it time and time again</td> <td>are often only 'one-off'</td> </tr> </table> <p>both a bank loan and grant are external sources of finance</p> <p>both have certain requirements that have to be met before finance is given</p> <table border="1"> <tr> <td><b>leasing</b></td> <td rowspan="3" style="text-align: center; vertical-align: middle;"><b>whereas</b></td> <td><b>hire purchase</b></td> </tr> <tr> <td>is renting the asset</td> <td>is paying for the asset in monthly instalments</td> </tr> <tr> <td>have to return the asset at the end of the leasing term</td> <td>own the asset at the end of the HP agreement term</td> </tr> </table> <p>both involve borrowing an asset for a length of time</p> <p>both allow for an organisation to use an asset without the need for large upfront payments</p> <p>both can be expensive in the long term</p>	<b>bank loan</b>	<b>whereas</b>	<b>government grant</b>	has to be repaid with interest/over time	doesn't have to be repaid	can get it time and time again	are often only 'one-off'	<b>leasing</b>	<b>whereas</b>	<b>hire purchase</b>	is renting the asset	is paying for the asset in monthly instalments	have to return the asset at the end of the leasing term	own the asset at the end of the HP agreement term	4	<p>Candidates must make at least <b>one</b> comparison for each pair to gain full marks.</p> <p>Award <b>1 mark</b> for each valid comparison.</p> <p>Accept any other suitable response.</p>
<b>bank loan</b>	<b>whereas</b>	<b>government grant</b>																
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	(b)	<ul style="list-style-type: none"> <li>• managers can compare planned budgets with actual budgets - to monitor business performance</li> <li>• it highlights periods where a negative cash position/deficit is expected - allows for appropriate finance to be put in place to prevent it</li> <li>• it highlights periods of excess cash/surplus - allows organisation to plan for investments/capital expenditure</li> <li>• aids decision-making - as provides cash flow information for decisions to be based on</li> <li>• allows management to control expenditure - problem areas can be identified</li> <li>• can be used to set targets for workers/managers - allows department/business to stay within the budget <ul style="list-style-type: none"> <li>○ if target achieved bonuses may be paid</li> <li>○ this can have a motivational impact</li> </ul> </li> </ul>	4	<p>Candidates must explain at least <b>2</b> benefits to gain full marks.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept any other suitable response.</p>
	(c)	<ul style="list-style-type: none"> <li>• open plan offices can encourage team-working/collaboration</li> <li>• perks such as free gym/café can mean increased staff motivation</li> <li>• uniforms can help staff feel a sense of belonging with the organisation -</li> <li>• improved customer satisfaction/loyalty - as the consumers associate with that organisation due to brand/logos/colours, etc <ul style="list-style-type: none"> <li>○ a single corporate identity is given to customers</li> </ul> </li> <li>• staff can move between branches/departments more easily - as they are aware of the practices/policies/layout</li> <li>• flexible working practices can help improve employee wellbeing/work-life balance</li> </ul>	4	<p>Candidates must explain at least <b>2</b> benefits in order to gain full marks.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(d)	<ul style="list-style-type: none"> <li>calculations are carried out by the software by entering a formula so errors are minimised</li> <li>charts/graphs can be quickly made from data</li> <li>fewer staff may be required so cost savings can be made</li> <li>provides the ability to deal in multiple currencies <ul style="list-style-type: none"> <li>so dealing with transactions for different countries is simple</li> </ul> </li> <li>can be linked to bank account/HMRC</li> <li>can be worked on simultaneously by more than one person/with accountant <ul style="list-style-type: none"> <li>can see changes in real time</li> </ul> </li> <li>can be password protected to restrict access</li> </ul>	3	<p>Candidates must describe at least 2 advantages to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a valid development.</p> <p>Accept any other suitable response.</p>
4.	(a)	<p><b>One-to-one</b></p> <ul style="list-style-type: none"> <li>a regular review of an employee's job performance with their manager</li> <li>review and discussion of last year's targets takes place</li> <li>targets may be set about future performance <ul style="list-style-type: none"> <li>could lead to increase in pay</li> </ul> </li> <li>training needs are identified</li> </ul> <p><b>360-degree</b></p> <ul style="list-style-type: none"> <li>a review of an employee's job performance, with feedback coming from subordinates, peers, supervisors and the employee themselves</li> <li>all those involved answer the same questions (often anonymously), which allows for comparison</li> <li>allows for a variety of viewpoints from colleagues</li> <li>self-evaluation is an important part of this type of appraisal</li> </ul> <p><b>Peer-to-peer</b></p> <ul style="list-style-type: none"> <li>colleagues in the same or similar position are asked to provide feedback on specific aspects of an employee's performance</li> <li>managers are excluded from this type of appraisal</li> </ul>	4	<p>Candidates must describe at least 2 methods to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance																				
(b)		<p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• online recruitment allows a wide audience to view the job vacancy/bigger pool of candidates</li> <li>• it is relatively inexpensive in comparison to advertising in a national newspaper</li> <li>• responses to the advertisement can be received electronically <ul style="list-style-type: none"> <li>○ which can be on the same day that the job was advertised</li> </ul> </li> <li>• once the post is filled it can be removed immediately</li> </ul> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• there may be technical difficulties which prevent the vacancy being posted</li> <li>• not all potential candidates will have access to the Internet <ul style="list-style-type: none"> <li>○ therefore they could be missing out on the most suitable candidates for the job</li> </ul> </li> <li>• can be expensive to pay for specialist recruitment websites</li> </ul>	4	<p>Candidates must discuss at least <b>one</b> advantage and <b>one</b> disadvantage to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussed point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Expensive/inexpensive must be qualified.</p> <p>Accept any other suitable response.</p>																				
(c)		<table border="1"> <thead> <tr> <th>Tall</th> <th></th> <th>Flat</th> </tr> </thead> <tbody> <tr> <td>many management levels</td> <td rowspan="6" style="text-align: center; vertical-align: middle;"><b>whereas</b></td> <td>few management levels</td> </tr> <tr> <td>long chain of command</td> <td>short chain of command</td> </tr> <tr> <td>many promotional opportunities</td> <td>few promotional opportunities</td> </tr> <tr> <td>common in large organisations</td> <td>more common in smaller organisations</td> </tr> <tr> <td>narrow span of control</td> <td>wide span of control</td> </tr> <tr> <td colspan="3">both have line relationships between superiors/subordinates</td> </tr> <tr> <td colspan="3">in both commands and information flow down from the top</td> </tr> </tbody> </table>	Tall		Flat	many management levels	<b>whereas</b>	few management levels	long chain of command	short chain of command	many promotional opportunities	few promotional opportunities	common in large organisations	more common in smaller organisations	narrow span of control	wide span of control	both have line relationships between superiors/subordinates			in both commands and information flow down from the top			3	<p>Award <b>1 mark</b> for each valid comparison.</p> <p>Accept any other suitable response.</p>
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	(d)	<ul style="list-style-type: none"> <li>• lack of finance - might mean that the organisation cannot select the best solution to a problem</li> <li>• staff may resist change - preventing decision to be implemented <ul style="list-style-type: none"> <li>○ staff may attempt to sabotage decisions if they disagree strongly with them</li> </ul> </li> <li>• highly motivated staff - may suggest new ideas/options/solutions</li> <li>• having up-to-date technology - means you can decide to increase production rates</li> <li>• company policy - may remove certain options because they go against company policy</li> <li>• managers may have limited skills - to decide how to implement new ideas/solutions</li> <li>• the time managers have available - may result in rushed/poor decisions</li> </ul>	4	<p>Candidates must explain the impact of at least 2 internal factors to gain full marks.</p> <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p>
5.	(a)	<ul style="list-style-type: none"> <li>• skill level of the workforce - highly skilled could be used for labour intensive for production because products are custom made</li> <li>• number of products which are required - capital intensive/automation is capable of mass-producing products quickly</li> <li>• actual product being made/the nature of the product itself - a standardised product would require a different method to be used compared to if a product is unique. <ul style="list-style-type: none"> <li>○ if the product is fragile, it may require labour intensive as humans are more careful than machines.</li> </ul> </li> <li>• finance that the organisation has available - some processes require high levels of mechanisation which is costly to install</li> <li>• technology available to be used in production - labour intensive might be the lonely option of technology is lacking</li> </ul>	5	<p>Candidates must describe at least 2 factors to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(b)	<p><b>Quality control</b></p> <ul style="list-style-type: none"> <li>• products are checked at the start/end of production to ensure faulty good do not reach customers</li> <li>• can lead to high wastage</li> <li>• production is not continually interrupted for checks</li> </ul> <p><b>Quality assurance</b></p> <ul style="list-style-type: none"> <li>• picks up problems as soon as possible</li> <li>• keeps waste levels low</li> <li>• as faults are detected early it may be possible to recycle/rework the products</li> <li>• need to pay staff to check at each stage</li> </ul> <p><b>Benchmarking</b></p> <ul style="list-style-type: none"> <li>• ensures product is as good as the market leader/competitor</li> <li>• saves time on developing own method</li> <li>• helps to identify how improvements can be made</li> <li>• is time consuming to carry out the comparison with competitors</li> </ul> <p><b>Mystery shopper</b></p> <ul style="list-style-type: none"> <li>• it should give an impartial account of the quality of service from an external perspective</li> <li>• the business may be able to improve its procedures following feedback</li> <li>• have to pay mystery shoppers</li> <li>• mystery shoppers only experience one day/one branch which may not be representative of the business as a whole</li> </ul> <p><b>Quality circles...</b> <b>Quality management...</b></p>	5	<p>Candidates must discuss at least <b>one cost and one benefit</b> to gain full marks.</p> <p>Candidates must discuss at least <b>2 methods</b> to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p><b>No</b> description marks.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(c)	<ul style="list-style-type: none"> <li>• EPOS (Electronic Point Of Sale) allows an electronic record to be kept of all purchases and returns               <ul style="list-style-type: none"> <li>○ can trigger automatic reordering of goods</li> </ul> </li> <li>• bar coding allows products to be scanned and recognised electronically               <ul style="list-style-type: none"> <li>○ can be used in conjunction with EPOS</li> </ul> </li> <li>• CAD (Computer Aided Design) used to create, analyse and modify a design</li> <li>• CAM (Computer Aided Manufacture) used to automate machinery/equipment in the manufacturing process</li> <li>• spreadsheets allow inventory figures to be recorded/monitored/analysed</li> <li>• databases store details of suppliers/orders placed</li> <li>• using internet to research supplier prices</li> </ul>	<b>3</b>	<p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Labels are not required. If label is used, it must match the description.</p> <p>Accept any other suitable response.</p>
	(d)	<ul style="list-style-type: none"> <li>• improves the image of the organisation</li> <li>• increases brand awareness among the target market</li> <li>• which may increase market share/sales/profits</li> <li>• promotes the values and aims of the business to the public</li> <li>• can reduce the damage caused by negative press</li> <li>• can give the business a competitive edge</li> </ul>	<b>2</b>	<p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for a valid development.</p> <p>Accept any other suitable response.</p>

**[END OF MARKING INSTRUCTIONS]**