

INTERNATIONAL GCSE **BUSINESS**

9225/2

Paper 2 Influences of marketing and finance on business activity

Mark scheme

November 2023

Version: 1.0 Final



2 3 B Y 9 2 2 5 / 2 / M S

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Marking guidance

- Read the response as a whole; follow the flow of reasoning as a whole.
- Remember that the indicative content provides possible lines of argument but there may be others that are equally valid. Be willing to credit other lines of argument.
- Annotate the script as you read using the annotations for application, analysis and evaluation shown below.
- Refer back to the standardisation scripts and guidance to help you benchmark. Marking must be in line with the standard agreed at standardisation. Refer back to standardisation scripts regularly.
- Summarise your findings briefly at the end of the response. This will help you decide on the overall level and is helpful for others to understand the mark given. Make sure the comments fit with the level awarded.
- Within your comment put the level awarded, eg L4, and any further explanation of that decision, needed most commonly where performance has varied across the answer.
- If in doubt about an approach contact your Team Leader, so that we can ensure we have a standardised approach across all marking.
- Be positive in your marking. Look to reward what is there.

Standard annotations:

Annotation	Skill being evidenced
Uses context	AO2 – application to context
Analysed in depth	AO3 – analysis
Partial analysis	
Simplistic analysis	
Evaluation fully justified	AO3 – evaluation
Evaluation with some justification	
Evaluation with limited justification	
Evaluation with no justification	

Section A

Total for this section: 15 marks

Question	Part	Marking guidance	Total marks
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01		One example of a primary industry is... Answer: C (farming.)	1 AO1=1
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Question	Part	Marking guidance	Total marks
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02		Which one of the following will raise a business' costs? Answer: C (An increase in employees' wages)	1 AO1=1
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Question	Part	Marking guidance	Total marks
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03		Which output (A, B, C or D) on the graph below shows the break-even output? Answer: D	1 AO1=1
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Question	Part	Marking guidance	Total marks
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04		Using the financial information above, what is the net profit margin? Answer: B (10%)	1 AO1=1
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Question	Part	Marking guidance	Total marks
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05		Which one of the following best describes the public sector? Answer: D (Services provided by the government)	1 AO1=1
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Question	Part	Marking guidance	Total marks
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06		State two stakeholders of a business. One mark for each valid stakeholder. Possible answers include: • owners/shareholders • customers • local community • government • suppliers • employees • environment.	2 AO1=2
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Question	Part	Marking guidance	Total marks
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07		Identify and explain one way an increase in banks' interest rates can affect a business. One mark for a suitable way, the second mark for adding some valid detail to the explanation. Possible answers include: • customers have less disposable income so sales fall as more needs to be spent on mortgages and loans • business's loans and overdrafts cost more leading to lower profits • can lead to uncertainty about the future thereby reducing sales • high price items fall in demand as loans are more expensive • demand may rise for basic economy items as people search for bargains rather than expensive substitutes. Specimen response: Higher interest rates mean the business has to pay more on any loans it has (1). So its costs will be higher and profits lower (2).	2 AO1=2
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Question	Part	Marking guidance	Total marks
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08		Define the term 'opportunity cost'. One mark for identifying that it is the cost of doing or buying something plus one mark for showing it is measured in terms of what has been foregone. An example may be used to illustrate the concept. Specimen responses: An opportunity cost is the cost of buying something (1) in terms of the value of what has been foregone (2). or If a business spends \$100 000 on a machine (1), it could have used this money to pay for staff training (2).	2 AO1=2
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Question	Part	Marking guidance	Total marks
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09		Identify and explain two benefits to a business from operating in an ethical way. One mark for a benefit, second mark for adding some valid detail to the explanation (apply twice). Possible answers include: • it attracts, or keeps, customers who expect the business to behave this way • treating employees well can motivate them • good way to promote the business • may be necessary to compete with other ethical businesses • might avoid future government legislation. Specimen response: An ethical business could have an advantage over non-ethical competitors (1) as many customers prefer to deal with businesses that behave ethically (2).	4 AO1=4
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Section B

Total for this section: 36 marks

Question	Part	Marking guidance	Total marks
10	1	Identify and explain one reason why it is important that Ravi and Kyra write a business plan before they start the nursery. One mark for identifying a reason, one mark for some valid explanation with some relevance to context, one mark for clear reference to context. Possible answers include: • to persuade banks to lend them money/provide an overdraft • to set objectives to work towards • to show employees, suppliers etc that the business is viable in the long term. Specimen response: Without a clear plan, it might be difficult for RKN to get an overdraft from a bank (1). The bank would be able to look at the plan to become more confident that RKN can repay its overdraft (2). Without the plan, the banks may think that as RKN is a not-for-profit business, it may not have the funds to repay (1).	3 AO1=1 AO2=2

Question	Part	Marking guidance	Total marks
10	2	Identify and explain two factors which might result in RKN closing down within a year of starting up. One mark for identifying a factor, one mark for some valid explanation with some relevance to context, one mark for clear reference to context (apply twice). Possible answers include: • they may not get as many children at the nursery as expected • parents fail to pay the fees in full • the government checks may be unsatisfactory • competitors react (eg lower their fees) to get RKN to close down • lack of market research • lack of planning. Specimen response: RKN might close down if it fails to get the number of children coming to the nursery (1). There will not be enough parents' fees coming in so Ravi and Kyra will not be able to pay the assistants' wages and other bills (2). The lack of children could be because the competitors might have lowered their fees to attract parents away from RKN (3).	6 AO1=2 AO2=4

Question	Part	Marking guidance	Total marks
10	3	Analyse one reason why the Indian government is willing to give Ravi and Kyra financial help to set up their nursery. Possible answers include: • to create employment for care workers • to provide educational opportunities for young children • to allow parents to work rather than look after their children • to create a better educated future workforce to pay more taxes. Specimen response: The Indian government may want Ravi and Kyra to open the nursery because it wants more young children to have an early education (L1). A good start means that children will do better in school and become better qualified. Better qualified workers in the future would be good for the Indian economy and allow young people to earn more money, which will bring in more tax revenue to the government (L2). The higher tax revenue will allow the government to increase facilities like roads and benefit payments to those who need them (L3). Having good nurseries would also encourage parents to work rather than stay at home looking after their children (L1). If there were not enough nursery facilities, both parents would not be able to work (L2) which would cause tax revenue to fall and probably the amount of benefits the government has to pay would increase (L3).	6 AO2=2 AO3=4

Examiners are reminded that AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives. Due to the greater number of marks available for AO3, answers at level 3 will have a greater depth of analysis (AO3) but may show similar levels of application of knowledge and understanding (AO2) to a level 2 answer.

Level	Marks	Descriptor
3	5–6 AO3×2	Detailed analysis of topics based on the context • Business areas are analysed in depth. • Applies knowledge and understanding to the context sufficiently, throughout the answer.
2	3–4 AO3 AO2	Sound analysis of topics based on the context • Business areas are partially analysed. • Applies knowledge and understanding to the context sufficiently, in most areas.
1	1–2 AO3	Basic analysis of topics based on the context • Analysis of business areas is simplistic.

	AO2	Knowledge and understanding is applied to the context, but may be fragmented.
0	0	Nothing worthy of credit.

Question	Part	Marking guidance	Total marks
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10	4	Analyse how RKN might benefit from being a not-for-profit organisation. Possible answers include: - no need to pay a dividend to shareholders - no external influence from shareholders - able to charge lower prices, encouraging more children to benefit - seen as an ethical organisation - receives funding from the government. Specimen response: Being a not-for-profit organisation means RKN stands out from the other nurseries in the town (L1). It will be seen as more concerned with the education of young children than simply making a profit for the owners (L2). This would encourage parents to pay to send their children to the nursery making its long-term future more secure (L3). Not having to pay shareholders a dividend (L1) means it can concentrate on keeping prices low rather than being profitable (L2). RKN will not have to be accountable to shareholders who might want them to act in an unethical way to make profits (L3).	6 AO2=2 AO3=4
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Examiners are reminded that AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives. Due to the greater number of marks available for AO3, answers at level 3 will have a greater depth of analysis (AO3) but may show similar levels of application of knowledge and understanding (AO2) to a level 2 answer.

Level	Marks	Descriptor
3	5–6 AO3×2	Detailed analysis of topics based on the context - Business areas are analysed in depth. - Applies knowledge and understanding to the context sufficiently, throughout the answer.
2	3–4 AO3 AO2	Sound analysis of topics based on the context - Business areas are partially analysed. - Applies knowledge and understanding to the context sufficiently, in most areas.

1	1–2 AO3 AO2	Basic analysis of topics based on the context - Analysis of business areas is simplistic. - Knowledge and understanding is applied to the context, but may be fragmented.
0	0	Nothing worthy of credit.

Question	Part	Marking guidance	Total marks
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10	5	Calculate the values of A and B in Table 1. NB there was a typographical error on the question paper for this question which means that there are alternative marking instructions for Value B. Values A and B are to be marked as separate answers. In both cases, there is no need to include the term rupees. Value A 1 mark for correct value of A: 2710. Allow 2 710 000. Value B 2 marks for correct value (including brackets or negative sign) for B: $9820 - 9490 - 390 = (60)$. Allow (60 000). 1 mark for correct number without negative sign or value in brackets. OR 2 marks for correct value (including brackets or negative sign) for B: $9520 - 9490 - 390 = (360)$. Allow (360 000). 1 mark for correct number without negative sign or value in brackets or 1 mark for showing working but 1 error in calculation, own figure rule applies eg $9490 - 9820 = (330)$.	3 AO1=1 AO2=2
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Question	Part	Marking guidance	Total marks
10	6	Kyra and Ravi cannot agree on how successful RKN is. Ravi thinks the nursery has not done very well because they still have an overdraft at the bank. Kyra disagrees with Ravi and says the business is successful. Using Items A, B and C, and Table 1: - analyse the arguments both for and against RKN being judged as a successful business - use your analysis to assess whether RKN is a successful business. Possible answers include: Successes: - the business plan seems to have impressed the Indian government to get the loan and licence - RKN has survived for three years - the number of children has increased (from parents' fees in Table 1) - appears to be more efficient as staff wages have not increased as much as fees - the government loan repayments have been repaid to date - the overdraft has been repaid quickly and interest is still being paid by the Indian government. Less successful: - stock of play equipment not as good as other nurseries - not very profitable but not intended to make a profit. Possible themes for evaluation: Success may be assessed on the basis of achieving objectives, in this case these were not profit-related.	12 AO2=4 AO3=8

Examiners are reminded that AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives. More weight should therefore be given to AO3 than AO2.

Level	Marks	Descriptor
4	10–12 AO3 AO3	Detailed analysis and evaluation of topics based on the context - Coherent line of reasoning followed, which is sustained, relevant and substantiated. There is a focused conclusion that is fully justified and follows clearly from the analysis. - Business areas are analysed in depth.

	AO2	Knowledge and understanding is consistently detailed and appropriately applied within context.
3	7–9 AO3 AO3 AO2	Sound analysis and evaluation of topics based on the context - Coherent line of reasoning given and the conclusion is appropriate and related to the preceding analysis. - Business areas are partially analysed. - Knowledge and understanding is detailed and appropriately applied within context.
2	4–6 AO3 AO3 AO2	Limited attempt made to analyse the topics based on the context - Evidence of some line of reasoning, with a conclusion that has limited justification. - Analysis of business areas is simplistic. - Some knowledge and understanding is applied within context.
1	1–3 AO3 AO3 AO2	Basic evaluation of topics but without any real support or analysis - A conclusion is present but without any reasoned support. - No discernible or relevant analysis. - A clear attempt to apply knowledge and understanding, but context may be lacking.
0	0	Nothing worthy of credit.

Section C

Total for this section: 39 marks

Question	Part	Marking guidance	Total marks
11	1	Identify and explain two benefits to CCH of using a website as a method of promotion. One mark for identifying a benefit, one mark for some valid explanation with some relevance to context, one mark for clear reference to context (apply twice). Possible answers include: • raises awareness of the company in other countries/regions of Jordan • helps establish the brand internationally allowing it to compete with the large car hire companies • tourists can see car hire details/prices • foreigners more likely to use service if booked from home • booking/viewing of vehicles available 24/7 • can give better customer service eg communicating and paying deposits. Specimen response: Promoting the business through a website would be a cost effective way to get the business noticed (1). CCH would not have to promote its services in different countries through media such as in magazines which would be a far more expensive way to let potential customers know about CCH (2). Many of CCH's customers are tourists who might rely on international brands of care hire companies without the website (3).	6 AO1=2 AO2=4

Question	Part	Marking guidance	Total marks
11	2	Identify and explain two benefits to CCH from having two separate market segments. One mark for identifying a benefit, one mark for some valid explanation with some relevance to context, one mark for clear reference to context (apply twice). Possible answers include: • better targeting of advertising • wider range of customers • targeting product to satisfy expectations – lower costs – lower income groups less concern with older vehicles • setting suitable prices for segments rather than just one • allows different levels of customer service • luxury cars raise profile of the business. Specimen response: By having two separate market segments, CCH could set different prices that allowed it to get higher profits (1). A low price could be charged for its standard cars as they are used mainly by local people who would not pay for an expensive vehicle (2). Charging far more to rich tourists would allow revenue to increase as these people are prepared to spend more when on holiday (3).	6 AO1=2 AO2=4

Question	Part	Marking guidance	Total marks
11	3	Analyse how a rise in the value of the Jordanian dinar might affect CCH's profits. Possible answers include: - stronger dinar makes it more expensive for foreigners to visit Jordan on holiday - demand for luxury cars may decrease and possibly demand for economy cars will go up – lowers revenue - does not affect domestic customers - European cars are cheaper to purchase – lowering costs for CCH - cheaper foreign cars might encourage Jordanians to buy their own cars causing demand for CCH's cars to drop. Specimen response: A stronger dinar could have the effect of both increasing and decreasing CCH's profits (L1). When cars are bought from Europe they will be cheaper for CCH as less dinar need to be exchanged into euros to buy them (L2). This will reduce CCH's costs as cars are a major expenditure to the business. Lower costs will mean higher profits. Buying more new cars might increase revenue as customers do not usually like to be carried in older vehicles (L3). The strong dinar could lower profits, however (L1). A strong dinar means a weaker euro and dollar. Customers from countries that have these currencies would find it more expensive to go on holiday in Jordan so will probably cut back (L2). This would result in fewer cars being hired by tourists. This reduction in revenue would put pressure on profits to fall (L3).	6 AO2=2 AO3=4

Examiners are reminded that AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives. Due to the greater number of marks available for AO3, answers at level 3 will have a greater depth of analysis (AO3) but may show similar levels of application of knowledge and understanding (AO2) to a level 2 answer.

Level	Marks	Descriptor
3	5–6 AO3×2	Detailed analysis of topics based on the context - Business areas are analysed in depth. - Applies knowledge and understanding to the context sufficiently, throughout the answer.
2	3–4 AO3 AO2	Sound analysis of topics based on the context - Business areas are partially analysed. - Applies knowledge and understanding to the context sufficiently, in most areas.

1	1–2 AO3 AO2	Basic analysis of topics based on the context - Analysis of business areas is simplistic. - Knowledge and understanding is applied to the context, but may be fragmented.
0	0	Nothing worthy of credit.

Question	Part	Marking guidance	Total marks
11	4	Using Table 2, calculate the total revenue CCH received in 2022. Show your calculations. $(2400 \times 25) + (850 \times 55) = 60\,000 + 46\,750 = 106\,750 \text{ JOD}$ 3 marks for correct answer – no need to show JOD. 2 marks for showing both (2400×25) and (850×55) or 60 000 and 46 750 in working. 1 mark for one of the above values only.	3 AO1=1 AO2=2

Question	Part	Marking guidance	Total marks
11	5	Analyse why CCH might have chosen to use price skimming for its car-with-driver service. Possible answers include: - the service will be promoted to rich tourists who can probably afford the high fee - there is no competing car hire business using this service so no need to price competitively - it is likely other hire companies will follow with a similar service, so CCH should exploit their earlier entry - it is a premium service and an initial high price would reinforce how exclusive it is. Specimen response: Price skimming involves starting with a high price and gradually lowering it as the market changes (L1). In CCH's situation this would allow the business to take advantage of the fact that none of its competitors have come up with the idea of car-with-driver yet (L2). Until the competitors respond, CCH would be the only car hire company using this service. As long as rich customers wanted the service, and the market research would suggest tourists are unhappy driving themselves, it would allow CCH to charge a very high price (L3). If the service appeared to be successful despite the high price charged, the competitors would step in and offer the service themselves (L2). With more car-with-drivers around, CCH would have to lower its prices for this service otherwise the competitors would start to gain CCH's customers by offering the service at a lower price. Price skimming would allow CCH to make an initial high profit to reward it for its new idea (L3).	6 AO2=2 AO3=4

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Level	Marks	Descriptor
3	5–6 AO3×2	Detailed analysis of topics based on the context - Business areas are analysed in depth. - Applies knowledge and understanding to the context sufficiently, throughout the answer.
2	3–4 AO3	Sound analysis of topics based on the context Business areas are partially analysed.

	AO2	• Applies knowledge and understanding to the context sufficiently, in most areas.
1	1–2 AO3 AO2	Basic analysis of topics based on the context • Analysis of business areas is simplistic. • Knowledge and understanding is applied to the context, but may be fragmented.
0	0	Nothing worthy of credit.

Question	Part	Marking guidance	Total marks
11	6	CCH is thinking about introducing a car-with-driver service. Using Items D, E and F: - analyse the arguments both for and against CCH introducing this car-with-driver service - use your analysis to recommend whether CCH should introduce this service. Arguments for the service: - the service would help CCH stand out from the competition/develop the luxury side of the business - foreigners who are more likely to use the service as they don't like to drive in Jordan - it is potentially a way to increase profits - there is a good return of 145 JOD for each day's hire compared with self-drive (250 – 50 – 55) - more car ownership in Jordan would need an alternative to keep the business profitable. Arguments against the service: - uncertainty whether a very high price would deter customers – increases risk - would probably involve more investment in luxury cars - high exchange rates could deter tourists visiting Jordan.	12 AO2=4 AO3=8

Examiners are reminded that AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives. More weight should therefore be given to AO3 than AO2.

Level	Marks	Descriptor
4	10–12 AO3 AO3 AO2	Detailed analysis and evaluation of topics based on the context - Coherent line of reasoning followed, which is sustained, relevant and substantiated. There is a focused conclusion that is fully justified and follows clearly from the analysis. - Business areas are analysed in depth. - Knowledge and understanding is consistently detailed and appropriately applied within context.
3	7–9 AO3 AO3 AO2	Sound analysis and evaluation of topics based on the context - Coherent line of reasoning given and the conclusion is appropriate and related to the preceding analysis. - Business areas are partially analysed. - Knowledge and understanding is detailed and appropriately applied within context.

2	4–6 AO3 AO3 AO2	Limited attempt made to analyse the topics based on the context • Evidence of some line of reasoning, with a conclusion that has limited justification. • Analysis of business areas is simplistic. • Some knowledge and understanding is applied within context.
1	1–3 AO3 AO3 AO2	Basic evaluation of topics but without any real support or analysis • A conclusion is present but without any reasoned support. • No discernible or relevant analysis. • A clear attempt to apply knowledge and understanding, but context may be lacking.
0	0	Nothing worthy of credit.