

INTERNATIONAL GCSE **BUSINESS**

9225/1

Paper 1 Influences of operations and human resources on
business activity

Mark scheme

November 2023

Version: 1.1 Final



2 3 B Y 9 2 2 5 / 1 / 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	AO4 – 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		Which one of the following is a need, not a want? Answer: D (Water)	1 AO1=1
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Question	Part	Marking guidance	Total marks
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02		A financial method of motivation that involves receiving a percentage of any sales made is called... Answer: A (commission.)	1 AO1=1
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Question	Part	Marking guidance	Total marks
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03		The training a business provides for a new employee is... Answer: A (induction training.)	1 AO1=1
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Question	Part	Marking guidance	Total marks
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04		A consequence of delayering is... Answer: C (lower salary costs.)	1 AO1=1
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Question	Part	Marking guidance	Total marks
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05		Which one of the following statements is false ? Answer: A (Fixed costs must be the same every month in any year.)	1 AO1=1
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Question	Part	Marking guidance	Total marks
06		Explain how social media can improve the experience customers have with a business. One mark for a partial explanation, second mark for adding some valid detail to the explanation. Possible answers include: • customers can 'like' a company's social media page • a social media page can be regularly updated with new products • a social media page can be updated with new offers • social media allows targeting of customers on an individual level • customers can interact with the business at any time. Specimen response: Customers can like a social media page, treating the business as they might a friend on social media.	2 AO1=2

Question	Part	Marking guidance	Total marks
07		Explain what is meant by a public sector organisation. Use an example in your explanation. One mark for an explanation, second mark for a valid example. Specimen response: Organisations owned by the state – examples may include schools, hospitals, transport – accept any reasonable suggestion that is likely to be in the public sector.	2 AO1=2

Question	Part	Marking guidance	Total marks
08		Explain how total quality management (TQM) ensures that high-quality goods are consistently produced. One mark for a reason, second mark for adding some valid detail to the explanation. Possible answers include: • TQM aims for zero defects • all employees are responsible for their own quality (may include checking their own quality) • staff are expected to look for ways to improve their quality • quality is a key focus throughout the business. Specimen response: TQM aims for zero defects. If progress towards this is achieved, quality levels will improve.	2 AO1=2

Question	Part	Marking guidance	Total marks
09		Explain two problems of using franchising as a method of growth. One mark for a problem, second mark for adding some valid detail to the explanation (apply twice). Possible answers include: • loss of direct control – franchisees are now responsible for each outlet • some franchisees may fail to adhere to company policies • a problem in one outlet can affect all franchised outlets • maintaining standards will be harder than with fully owned outlets. Accept responses that consider problems from the perspective of franchisee, such as cost of royalties, initial cost of licence, lack of freedom in decision-making. Specimen response: Franchisees are now directly responsible for each outlet (1) which may make it harder to get them to follow policies of the franchisor (1).	4 AO1=4

Section B

Total for this section: 36 marks

Question	Part	Marking guidance	Total marks
10	1	Identify and explain one other method of support that the government might offer to new entrepreneurs like Zara. One mark for identifying a method of government support other than an advisor, one mark for valid explanation with some relevance to context, one mark for clear reference to context. Possible answers include: • training – she is a new entrepreneur • grants – could help towards the 8500 EGP she needs • cheap loans – would reduce interest payable if she borrows the 8500 EGP • special tax rates for start-ups – would help build retained profit in the early years of her business • ongoing support/general business advice (perhaps online) – to help her through the start-up period of her business. Specimen response: The government might provide a cheap loan (1). This would help Zara to pay less interest (1), if she borrows the 8500 EGP she needs (1).	3 AO1=1 AO2=2

Question	Part	Marking guidance	Total marks
10	2	Explain two benefits to Zara of setting up as a limited liability business. One mark for identifying a benefit, one mark for a valid explanation with some reference to context, one mark for clear reference to context (apply twice). Possible answers include: - personal assets are protected. With limited savings, Zara is unlikely to want to risk losing any more personal assets - can sell shares to raise finance – this might allow her to raise the extra 8500 EGP - other shareholders may bring experience and knowledge that Zara lacks as a first-time entrepreneur - a limited liability business may have more credibility – which may be helpful when dealing with food and drink suppliers. Specimen response: Limited liability businesses can sell shares (1). This would help Zara to raise the finance she needs (1) of an extra 8500 EGP (1).	6 AO2=2 AO3=4

Question	Part	Marking guidance	Total marks
10	3	Zara plans to pay off the loan in full after 2 years. Calculate the total amount she will pay to the bank. Show your calculations. Interest for one year = $15\% \times 8500 = 1275$ EGP (1 mark) Two years' interest = $1275 \times 2 = 2550$ EGP (1 mark) (OFR) Plus repayment = $2550 \text{ EGP} + 8500 \text{ EGP} = 11\,050$ EGP (1 mark) (OFR)	3 AO1=1 AO2=2

Question	Part	Marking guidance	Total marks
10	4	Analyse the benefits for Zara's café of an effective recruitment and selection process when choosing new employees. Possible answers include:	6 AO2=2 AO3=4

		• keeps costs low, money is scarce and extra recruitment costs to replace weak employees will be a financial burden she cannot afford • employees may bring existing skills and attributes that allow Zara to save money on training them. Money is tight as she is starting up. As a new entrepreneur, she may also lack some of the expertise needed to run a café and experienced staff may be able to offer useful suggestions • motivated and skilled staff will be needed if she is to meet her aim of providing excellent customer service. Specimen response: An effective recruitment and selection process can ensure Zara starts with better employees (L1). These employees may bring experience of working in a cafe that Zara lacks (L2). This experience may allow them to spot and correct mistakes that Zara might make due to her lack of experience, allowing a smoother opening (L3).	
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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
10	5	Explain how Zara's café relies on businesses in both the primary and secondary sectors. One mark for showing an understanding of a way the tertiary sector interacts with primary and/or secondary sector, second mark for some explanation of the interaction in context, third mark for full explanation with clear context. Either one way for each sector or two ways for one of the sectors is acceptable. Possible answers include: • primary sector extracts natural resources that are needed by other businesses (grows tea, wheat etc) • the secondary sector processes raw materials into finished goods (such as packets of tea or baked goods). Specimen response: Tea is grown on farms in Africa and Asia (1) – this is primary sector activity and provides the raw materials needed (1) to produce the finished product (tea) that Zara will eventually sell in her café (1). Once the tea arrives at the port, it is processed (1) and packaged by a secondary sector business (1) before Zara buys it to sell to her customers as a hot drink (1). Food will be manufactured (1) at the bakery located near to Site X (1). This is a secondary sector business (1). The bakery will be using ingredients grown by farmers (1) and possibly processed by another secondary sector business (1) (eg wheat grown and made into flour) in order to create its baked goods for Zara (1).	6 AO1=2 AO2=4

Question	Part	Marking guidance	Total marks												
10	6	Zara must choose where to locate her café. Using information from Items A and B: - analyse the benefits of both Site X and Site Y - use your analysis to recommend which location Zara should choose. Possible answers include: Relevant calculations: <table><tr><th></th><th>Site X</th><th>Site Y</th></tr><tr><td>Expected daily revenue</td><td>250 × 50 EGP = 12 500 EGP</td><td>500 × 100 EGP = 50 000 EGP</td></tr><tr><td>Monthly revenue (assumes 30 days per month)</td><td>12 500 × 30 = 375 000 EGP</td><td>50 000 × 30 = 1 500 000</td></tr><tr><td>Monthly revenue minus fixed costs</td><td>375 000 EGP – 200 000 EGP = 175 000 EGP</td><td>1 500 000 EGP – 1 200 000 EGP = 300 000 EGP</td></tr></table> Benefits of Site X: - close to suppliers – both the tea manufacturer and the bakery are close. This should reduce delivery time and cost - a regular customer base could be created with port workers using the café every day - fixed costs per month are lower - no clear competition. Benefits of Site Y: - likely to be busy as it's the city centre – double the number of customers per day expected - designer shops and banks may attract higher spenders – as shown by double spend per person - travellers arriving at the railway station may use the café - once fixed costs are deducted from expected revenue, more money is left over to cover other costs. Possible themes for evaluation: - the figures provided may be unreliable as the inexperienced Zara has made the estimates based on a small sample		Site X	Site Y	Expected daily revenue	250 × 50 EGP = 12 500 EGP	500 × 100 EGP = 50 000 EGP	Monthly revenue (assumes 30 days per month)	12 500 × 30 = 375 000 EGP	50 000 × 30 = 1 500 000	Monthly revenue minus fixed costs	375 000 EGP – 200 000 EGP = 175 000 EGP	1 500 000 EGP – 1 200 000 EGP = 300 000 EGP	12 AO2=4 AO3=8
	Site X	Site Y													
Expected daily revenue	250 × 50 EGP = 12 500 EGP	500 × 100 EGP = 50 000 EGP													
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Monthly revenue minus fixed costs	375 000 EGP – 200 000 EGP = 175 000 EGP	1 500 000 EGP – 1 200 000 EGP = 300 000 EGP													

		the city centre location may be a much better fit with the image Zara seems keen to create – of high-quality specialist items – perhaps less suited to a more industrial area.	
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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 detailed and appropriately applied within context.
3	7–9 AO3 AO3 AO2	Sound analysis and evaluation - 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	Calculate the predicted percentage change in unit costs. Show your calculations. Predicted unit cost = $2\,160\,000\,000 / 120\,000 = 18\,000$ USD (1 mark) Change in unit cost = $30\,000 - 18\,000 = 12\,000$ (1 mark) Percentage change = $(12\,000 / 30\,000) \times 100 = 40\%$ (1 mark) Maximum 2 marks for showing new unit cost as a % of original = 60% If no valid calculations, award 1 mark for knowledge of Unit cost formula (total cost / output).	3 AO1=1 AO2=2

Question	Part	Marking guidance	Total marks
11	2	Identify and explain one cost and one benefit to Spark Motors of making the world's most environmentally friendly car. One mark for showing a cost/benefit of producing an environmentally friendly product, second mark for some explanation of the cost/benefit in context, third mark for full explanation with clear context. Possible answers include: Benefits: • can charge a premium price • offers a unique selling point • helps the brand stand out from its rivals • attracts environmentally conscious customers. Costs: • recyclable materials may be more expensive • extra costs involved in research, development and design • can include reference to using recycled materials or relying on sustainable materials. Specimen response: SMM may have to pay more for its materials (1). This is because it uses only recyclable materials (1) and these may drive up the cost of manufacturing each vehicle (1).	6 AO1=2 AO2=4

Question	Part	Marking guidance	Total marks
11	3	Explain one benefit to SMM of using cell production. One mark for a benefit of cell production, one mark for explanation with some reference to context, one mark for clear reference to context Possible answers include: • reduced production time helping to create the reduction in forecast unit costs • multi-skilled workers using teamwork, covering for one another on the cell's assembly tasks • higher quality – each cell takes responsibility for its own quality – vital for a car manufacturer • more motivated staff due to multi-skilling leading to lower labour turnover – important for skilled work such as this. Benefits should focus explicitly on SMM rather than employees. Specimen response: Production time may be shorter (1). This is because members of a cell, such as the car body construction cell can cover for absent colleagues (1), preventing delays in the process of assembling the car (1).	3 AO1=1 AO2=2

Question	Part	Marking guidance	Total marks
11	4	SMM has chosen Cambodia as the location of its new factory. Analyse the benefits of this decision to the economy of Cambodia. Possible answers include: • creates jobs – a car factory will create a substantial number of jobs • extra revenue for suppliers and other local businesses – SMM may choose local suppliers while factory employees will spend their wages locally • skills transfer – with 75% of managers expected to be locals within three years this should build the local skills base • increased tax receipts for the Cambodian government • other businesses may be attracted to Cambodia if they see a multinational like SMM chose to locate there.	6 AO2=2 AO3=4

		Specimen response: SMM's decision to build their factory in Cambodia will create jobs for Cambodian people (L1). The factory will need to recruit a substantial local workforce and these people will be likely to receive higher wages than in previous jobs. This has the effect of increasing their disposable income (L2) which allows them to spend more locally, boosting other Cambodian business' revenues and potentially profits (L3).	
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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	5	Calculate last year's income per head. Show your calculations. 1520 is 95% of last year's figure (1 mark). So $1520 / 95$ (1 mark) $\times 100 = 1600$ USD (1 mark) (USD not required). One mark for attempt to show that last year's figure was higher by 5% (can award second mark for an answer of 1596 USD).	3 AO1=1 AO2=2

Question	Part	Marking guidance	Total marks
11	6	Analyse how the global change in consumers' incomes is likely to affect SMM. Possible answers include: • sales are likely to fall, especially for an expensive product such as this • SMM may need to cut prices to try to maintain sales • production levels will need to be reduced, this could increase unit costs, redundancies may also be needed. Specimen response: The reduction in income is likely to lead to a fall in consumers' spending on cars (L1). This is because people who earn less have less money to spend and buying a car is a major purchase that is likely to be cut first if incomes fall (L2). As a result, SMM is likely to see a significant fall in sales because of this reduced demand – making it harder to cover its fixed costs with lower revenue (L3).	6 AO2 = 2 AO3 = 4

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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	7	SMM uses just in time (JIT) to make production more efficient. Using information from Items C and D: - analyse the benefits and costs to SMM of using just in time (JIT) - use your analysis to recommend whether SMM should continue to use just in time (JIT). Possible answers include: Benefits: - reduced stock-holding costs – lowers unit costs, giving SMM the chance to be more price competitive – perhaps vital at a time of falling incomes - less cash tied up in inventory – freeing up finance for other purposes – perhaps a promotional campaign to counter falling sales - less likely to be left with inventory of unsold cars – which could age or become damaged – especially important for such a high value item at a time of falling demand. Costs: - reduced opportunities for purchasing economies of scale with only small orders being placed - harder to satisfy sudden surges in demand out of inventory. Themes for evaluation: At a time of falling demand JIT can be especially helpful in ensuring no stockpiles of unsold inventory. The opportunity to reduce prices due to relatively low inventory costs may be the key to surviving the downturn. However, economies of scale might be very useful if revenue is falling and the company is paying higher prices than rivals for its recyclable materials.	12 AO2=4 AO3=8

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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 detailed and appropriately applied within context.

3	7–9 AO3 AO3 AO2	Sound analysis and evaluation • 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.