



Cambridge International AS & A Level

BUSINESS

9609/01

Paper 1 Business Concepts 1

For examination from 2023

MARK SCHEME

Maximum Mark: 40

Specimen

This document has **22** pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The marker should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range (where middle marks are available).
- If the candidate's work **just** meets the level statement, award the lowest mark.

**Subject Specific Marking Principles
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons ...).

SPECIMEN

- d** DO NOT credit answers simply for using a ‘key term’ unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities, e.g. a scattergun approach to a question asking for *n* items
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to ‘mirror statements’ (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion).

2 Presentation of mark scheme:

- Slashes (/) or the word ‘or’ separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Assessment objectives**AO1 Knowledge and understanding**

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application

Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation

Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Section A**Table A**

Use this table to give marks for each candidate response for **Questions 1(a), 2(a) and 3(a)**.

AO1 Knowledge and understanding

Description	Marks
Knowledge of the term that demonstrates a sound understanding of the term.	2
Knowledge of the term that demonstrates a partial understanding of the term.	1
No creditable response.	0

Table B

Use this table to give marks for each candidate response for **Questions 1(b), 2(b) and 3(b)**.

AO1 Knowledge and understanding 1 mark Description	AO2 Application 2 marks Description
2 marks Developed application of one relevant point to a business context.	
1 mark Knowledge of one relevant point is used to answer the question.	1 mark Limited application of one relevant point to a business context.
0 marks No creditable response.	0 marks No creditable response.

Question	Answer	Marks
1(a)	<p>Define the term ‘secondary research’.</p> <p>Follow the point-based marking guidance at the top of this mark scheme and use Table A to give marks for each candidate response. AO1 out of 2 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> • Collection of data from second-hand sources – not directly related to a firm’s needs. • Collection of data that already exists – compared to primary data. • Data from external sources – e.g. reports, census. <p>Accept all valid responses.</p>	2

Question	Answer	Marks
1(b)	<p>Explain <u>one</u> advantage to a business of data collected using primary research methods.</p> <p>Follow the point-based marking guidance at the top of this mark scheme and use Table B to give marks for each candidate response. AO1 out of 1 mark. AO2 out of 2 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> • Primary research methods produce first-hand data directly related to the needs of a business. • Advantage of primary data which shows knowledge of the term. • Method of primary research which shows knowledge of the term. <p>AO2 Application</p> <ul style="list-style-type: none"> • Primary research methods may produce data that will be more up-to-date than data from secondary sources – may therefore be more useful to a business. • Primary research methods may produce data that will be more relevant to a business than secondary sources – data will be collected for a specific business purpose. • A business has direct control as opposed to secondary sources – over what and how data is collected using primary research methods. • The data collected will be confidential unlike secondary sources – and can be hidden from competitors. <p>Accept all valid responses.</p>	3
	AO1	1
	AO2	2

Question	Answer	Marks
2(a)	<p>Define the term ‘sustainability’.</p> <p>Follow the point-based marking guidance at the top of this mark scheme and use Table A to give marks for each candidate response. AO1 out of 2 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> • Production systems that prevent waste – by using the minimum of non-renewable resources. • Production levels that can be sustained in the future – by using renewable resources. • Production levels which have minimum impact on society – by creating minimum levels of waste. <p>Accept all valid responses.</p>	2

Question	Answer	Marks
2(b)	<p>Explain <u>one</u> reason why a manufacturing business might take measures to improve the sustainability of its operations.</p> <p>Follow the point-based marking guidance at the top of this mark scheme and use Table B to give marks for each candidate response. AO1 out of 1 mark. AO2 out of 2 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> The identification of one appropriate reason why a manufacturing business might take measures to improve the sustainability of its operations, e.g. to improve company image, to access new markets, happier workforce, avoid pressure group activity, responding to legal controls. <p>AO2 Application</p> <ul style="list-style-type: none"> To improve company image more people are becoming willing to value sustainable business activities – and to value and support eco-friendly practices, e.g. green consumerism. To gain access to new markets where for example governments give preferential treatment to businesses – demonstrating sustainable practices, e.g. renewable energy. A happier and more productive workforce and a potentially more productive one once a business has become greener and cleaner – using practices, e.g. responsible disposal of waste. <p>Accept all valid responses.</p>	3
	AO1	1
	AO2	2

Question	Answer	Marks
3(a)	<p>Define the term ‘zero budgeting’.</p> <p>Follow the point-based marking guidance at the top of this mark scheme and use Table A to give marks for each candidate response. AO1 out of 2 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> • An approach to budgeting that sets budgets to zero each year – not from the current year’s levels. • Requires budget holders to justify their budgets each year – in order to gain financial resources. <p>Accept all valid responses.</p>	2

Question	Answer	Marks
3(b)	<p>Explain one benefit to a business of using budgets.</p> <p>Follow the point-based marking guidance at the top of this mark scheme and use Table B to give marks for each candidate response. AO1 out of 1 mark. AO2 out of 2 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> • A budget is a detailed financial plan for the future. • Any benefit of using budgets, e.g. allocating resources, assessing performance, giving managers authority. <p>AO2 Application</p> <ul style="list-style-type: none"> • Budgets are set for both sales revenue and business costs – allowing a business to create and monitor profit centres and cost centres. • Budgets require budget holders to consider their future financial requirements – and to set realistic financial targets. • A system of budgets facilitates financial performance measurement – and increases budget holder accountability. • Budgets require careful financial planning – that should lead to a more efficient allocation of resources. • Budgets may well serve to motivate budget/profit and cost centre managers – creating an incentive to perform. • Budgets throughout a business may encourage co-operation and co-ordination of business activities – helping to avoid conflict. • Budgets are a measure of control – and allow monitoring to provide financial discipline within a business. • Budgets may indicate the need for change – by signalling the unrealistic nature of financial plans in the light of changed situations. • Budgets allow for the use of variance analysis – which indicate major areas for management action. <p>Accept all valid responses.</p>	3
AO1		1
AO2		2

Question	Answer	Marks															
4	<p data-bbox="194 891 226 1942">Analyse <u>one</u> way in which ethics may influence the activities of a business.</p> <p data-bbox="263 1832 295 1942">Table C</p> <p data-bbox="331 331 402 1942">Follow the point-based marking guidance at the top of this mark scheme and use this table to give marks for each candidate response.</p> <table border="1" data-bbox="438 309 1050 1942"> <thead> <tr> <th data-bbox="443 1393 528 1942">AO1 Knowledge and understanding 1 mark</th> <th data-bbox="443 853 528 1393">AO2 Application 2 marks</th> <th data-bbox="443 309 528 853">AO3 Analysis 2 marks</th> </tr> <tr> <th data-bbox="528 1393 580 1942">Description</th> <th data-bbox="528 853 580 1393">Description</th> <th data-bbox="528 309 580 853">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="580 1393 772 1942"></td> <td data-bbox="580 853 772 1393"> <p data-bbox="592 1267 692 1382">2 marks Developed application of one relevant point to a business context.</p> </td> <td data-bbox="580 309 772 853"> <p data-bbox="592 725 759 840">2 marks Developed analysis that identifies connections between causes, impacts and/or consequences of one relevant point.</p> </td> </tr> <tr> <td data-bbox="772 1393 963 1942"> <p data-bbox="783 1823 810 1928">1 mark Knowledge of one relevant point is used to answer the question.</p> </td> <td data-bbox="772 853 963 1393"> <p data-bbox="783 1281 884 1382">1 mark Limited application of one relevant point to a business context.</p> </td> <td data-bbox="772 309 963 853"> <p data-bbox="783 736 951 840">1 mark Limited analysis that identifies connections between causes, impacts and/or consequences of one relevant point.</p> </td> </tr> <tr> <td data-bbox="963 1393 1050 1942"> <p data-bbox="975 1807 1038 1928">0 marks No creditable response.</p> </td> <td data-bbox="963 853 1050 1393"> <p data-bbox="975 1267 1038 1382">0 marks No creditable response.</p> </td> <td data-bbox="963 309 1050 853"> <p data-bbox="975 725 1038 840">0 marks No creditable response.</p> </td> </tr> </tbody> </table> <p data-bbox="1082 1684 1114 1942">Indicative content</p> <p data-bbox="1150 1617 1182 1942">Responses may include:</p> <p data-bbox="1219 1438 1251 1942">AO1 Knowledge and understanding</p> <ul data-bbox="1256 315 1319 1942" style="list-style-type: none"> <li data-bbox="1256 315 1319 1942">• The moral principles that guide the way a business behaves – distinguishing between ‘right’ and ‘wrong’ and then making the ‘right’ choice. 	AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks	AO3 Analysis 2 marks	Description	Description	Description		<p data-bbox="592 1267 692 1382">2 marks Developed application of one relevant point to a business context.</p>	<p data-bbox="592 725 759 840">2 marks Developed analysis that identifies connections between causes, impacts and/or consequences of one relevant point.</p>	<p data-bbox="783 1823 810 1928">1 mark Knowledge of one relevant point is used to answer the question.</p>	<p data-bbox="783 1281 884 1382">1 mark Limited application of one relevant point to a business context.</p>	<p data-bbox="783 736 951 840">1 mark Limited analysis that identifies connections between causes, impacts and/or consequences of one relevant point.</p>	<p data-bbox="975 1807 1038 1928">0 marks No creditable response.</p>	<p data-bbox="975 1267 1038 1382">0 marks No creditable response.</p>	<p data-bbox="975 725 1038 840">0 marks No creditable response.</p>	5
AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks	AO3 Analysis 2 marks															
Description	Description	Description															
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Question	Answer	Marks
4	<p>AO2 Application</p> <ul style="list-style-type: none"> • The objectives of a business may include survival, growth, market domination, profit and the pursuit of any of these may well involve ethical dilemmas. • Ethical decisions will be required when pressures or demands develop which suggest that business performance can be improved through unethical actions. <p>AO3 Analysis</p> <ul style="list-style-type: none"> • A business may decide not to engage in unethical practices such as employing child labour, using inferior raw materials, engaging in questionable advertising or promotion activities. • A business could reject cheap production methods that pollute the environment and add to social costs. • A business could decide to be more responsible and avoid locating in countries with low inferior employment conditions. • A business could avoid supplying or promoting products that might damage health. • A business could avoid exploiting suppliers and develop strong, more trusting partnerships. • A business could subscribe to corporate socially responsible practices and objectives. • Such ethical decisions and practices will likely build and maintain a positive reputation and prevent financial and legal problems. • A commitment to ethical business activities will enrich the business culture and encourage more productive relations between customers, managers, and employees. <p>Accept all valid responses.</p>	
AO1		1
AO2		2
AO3		2

Section B**Table D**Use this table to give marks for each candidate response for **Questions 5(a)** and **6(a)**.

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 4 marks
	Description	Description	Description
2			3–4 marks Developed analysis <ul style="list-style-type: none"> Developed analysis that identifies connections between causes, impacts and/or consequences of two points. [4 marks] Developed analysis that identifies connections between causes, impacts and/or consequences of one point. [3 marks]
1	1–2 marks <ul style="list-style-type: none"> Knowledge of two relevant points is used to answer the question. [2 marks] Knowledge of one relevant point is used to answer the question. [1 mark] 	1–2 marks <ul style="list-style-type: none"> Application of two relevant points to a business context. [2 marks] Application of one relevant point to a business context. [1 mark] 	1–2 marks Limited analysis <ul style="list-style-type: none"> Limited analysis that identifies connections between causes, impacts and/or consequences of two points. [2 marks] Limited analysis that identifies connections between causes, impacts and/or consequences of one point. [1 mark]
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Table E

Use this table to give marks for each candidate response for Questions 5(b) and 6(b).

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
	Description	Description	Description	Description
3				5–6 marks Developed evaluation in context <ul style="list-style-type: none"> • A developed judgement/conclusion is made in the business context. • Developed evaluative comments which weigh up some key arguments in the business context.
2	2 marks Developed knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	2 marks Developed application of relevant point(s) to the business context.	2 marks Developed analysis that identifies connections between causes, impacts and/or consequences.	3–4 marks Developed evaluation <ul style="list-style-type: none"> • A developed judgement/conclusion is made. • Developed evaluative comments which weigh up some key arguments.
1	1 mark Limited knowledge of relevant key term(s) and/or factor(s) is used to answer the question.	1 mark Limited application of relevant point(s) to the business context.	1 mark Limited analysis that identifies connections between causes, impacts and/or consequences.	1–2 marks Limited evaluation <ul style="list-style-type: none"> • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to weigh up the arguments.
0	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.	0 marks No creditable response.

Question	Answer	Marks
EITHER 5(a)	<p>Analyse <u>two</u> reasons why it is important for a business to set SMART objectives.</p> <p>Use Table D to mark each candidate response. AO1 out of 2 marks. AO2 out of 2 marks. AO3 out of 4 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> • An objective is a statement of what a business hopes to achieve. • SMART is an acronym used as a guide for setting objectives. • It has come to mean objectives that are: SPECIFIC MEASURABLE ACHIEVABLE REALISTIC TIME-LIMITED. <p>AO2 Application</p> <ul style="list-style-type: none"> • SMART is considered to be an effective business tool and helps to measure business performance. • It provides the clarity, focus, and motivation that is required if business goals are to be met. <p>AO3 Analysis</p> <ul style="list-style-type: none"> • Effective business decisions require SMART objective setting to allow business to measure whether it has met its original objectives. • A SPECIFIC approach requires objective setters to ask the correct questions: what needs to be accomplished in this business, why it is important, what resources are involved. • A focus on a MEASURABLE approach focusses on questions such as when it will be accomplished, so that progress can be tracked and assessed and deadlines reached. • A focus on ACHIEVABLE drives attention to resource usage, affordability, and a recognition of constraints. 	8

Question	Answer	Marks
5(a)	<ul style="list-style-type: none"> • A concern with REALISTIC asks whether the timing is right and the conditions in the external environment are appropriate. • TIME-LIMITED provides discipline and ensures that short-term tasks do not take priority over longer term-objectives. • Could SMART become inflexible and stifle creativity? <p>Accept all valid responses.</p> <p>AO1</p> <p>AO2</p> <p>AO3</p>	2 2 4
5(b)	<p>Evaluate the view that a mission statement is only important to a bank if it significantly influences the strategy and tactics of that business.</p> <p>Use Table E to mark each candidate response.</p> <p>AO1 out of 2 marks.</p> <p>AO2 out of 2 marks.</p> <p>AO3 out of 2 marks.</p> <p>AO4 out of 6 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> • Mission statements define the core purpose and focus of a business. • Internally they are designed to motivate employees and provide a context for all business activity. • Strategy is about the long-term business decisions affecting the whole of the business and the focus of senior managers. • Tactics are short to medium-term decisions taken by less senior managers in departments or divisions of a business. <p>AO2 Application</p> <ul style="list-style-type: none"> • Mission statements can be devised by the directors of the bank and referred to by all bank employees. • Mission statements are devised to become part of the operating focus of all the bank employees. • Mission statements are expected to influence all tactical and strategic behaviour in the bank in terms of lending policy. 	12

Question	Answer	Marks
5(b)	<p>AO3 Analysis</p> <ul style="list-style-type: none"> • A mission statement may provide direction which allows a business to develop tactics and strategy and meet objectives such as profit and sales. • Without the direction a business' stakeholders may pull in different directions leading to inefficiency, increased costs, failure. • If mission statements did not work they would not be used by so many businesses. • A business may spend significant time formulating a mission statement which is so general that it has little relation to actual direction of the business and does not provide focus. • A business may be so focused on a 'pre-set' mission that it misses new opportunities which could allow the business to diversify. • A mission statement might add no value to the business, increasing costs with no increase in profit/profitability. <p>AO4 Evaluation</p> <ul style="list-style-type: none"> • What are the most important factors that could affect the impact of a mission statement on a bank? • Changes in the dynamic business environment can make a mission statement set several years ago seem irrelevant. • Are mission statements often little more than vague statements or wish lists that few believe in? • Can mission statements really influence strategic and tactical business decisions when most banks are trying to maximise profits? • To what extent might factors such as exceptional leadership in a bank or a carefully crafted bank mission statement affect the importance and influence of a bank mission statement? • Mission statements can also have an external impact and allow businesses to be made accountable to stakeholders. • Judgement made on the significance or importance of mission statements. <p>Accept all valid responses.</p>	
AO1		2
AO2		2
AO3		2
AO4		6

Question	Answer	Marks
OR		
6(a)	<p>Analyse <u>two</u> possible disadvantages to a business of using performance-related pay to motivate its employees.</p> <p>Use Table D to mark each candidate response. AO1 out of 2 marks. AO2 out of 2 marks. AO3 out of 4 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> • Performance-related pay (PRP) links salaries/wages to an assessment of performance measured against pre-agreed performance criteria. • PRP may set non-achievable targets. • May lead to conflict between employees. <p>AO2 Application</p> <ul style="list-style-type: none"> • Often used to remunerate employees whose output is not measurable in quantitative terms such as management/supervisory/clerical posts. • An optional reward/motivation method for employees who are considered to have given exceptional performance. <p>AO3 Analysis</p> <ul style="list-style-type: none"> • For some employees PRP is seen as a device to intensify work demands, increase productivity leading to worker exploitation and high stress. • It can lead to rifts and divisions in teams if some are not included in a PRP scheme – they will feel their work is less valued. • There are problems in deciding how to measure ‘above average’ performance – employees’ views will differ from managers’ views. • PRP can put power into the hands of managers leading to favouritism or discrimination. • It requires detailed information about employees and their jobs. <p>Accept all valid responses.</p>	8
	AO1	2

Question	Answer	Marks
6(a)	AO2 AO3	2 4
6(b)	<p>'The most important role of human resource management (HRM) in a fast food restaurant is to maintain a high level of employee morale and welfare.'</p> <p>Evaluate this view.</p> <p>Use Table E to mark each candidate response. AO1 out of 2 marks. AO2 out of 2 marks. AO3 out of 2 marks. AO4 out of 6 marks.</p> <p>Indicative content</p> <p>Responses may include:</p> <p>AO1 Knowledge and understanding</p> <ul style="list-style-type: none"> • HRM function is to plan, recruit and develop the workforce in order to achieve business objectives. • HRM includes a wide range of activities such as recruitment, training, motivation, contracts of employment, morale and welfare. • The emphasis in recent times is on morale and welfare, safety, working conditions and job satisfaction of employees. • Morale includes the emotions, attitudes and overall outlook of employees; welfare is anything that makes the workplace more congenial and healthy. <p>AO2 Application</p> <ul style="list-style-type: none"> • Morale and welfare increasingly seen as a vital part of HRM responsibility and particularly important to a service business like a fast food restaurant. • Quicker and more efficient customer service from employees who consider their morale and welfare is being supported. • Traditionally fast food industry has high level of turnover and often low job satisfaction. 	12

Question	Answer	Marks
6(b)	<p>AO3 Analysis</p> <ul style="list-style-type: none"> • Increasing morale and welfare is an important HRM function as it can increase job satisfaction, labour productivity and reduce labour turnover. • HRM contributes to employee morale and welfare when it efficiently and effectively carries out any responsibility in respect of the workforce – by, for example, administering an equitable remuneration system or providing appropriate training courses. • HRM is responsible for workforce planning and if this is poorly done then business efficiency will decline – e.g. too many or too few employees. • HRM is responsible for recruitment and selection of employees and this is important as employees need to be suited to the work. • HRM might well provide support and advice for staff with personal problems such as achieving a more sensible work-life balance. • HRM might ensure that policies on equality and diversity are fit for purpose. • HRM may see employee morale and welfare as a primary concern for an outward facing business such as a fast food restaurant. <p>AO4 Evaluation</p> <ul style="list-style-type: none"> • The importance of the involvement of HRM in issues relating to employee morale and welfare may well depend on the type of business and the maturity of that business. • There may be more pressing short-term problems facing HRM that might be more important such as skills shortages or industrial relations challenges. • The resolution of such problems will likely assist in improving general morale and welfare issues. • Suggestions may be made that some of the more specific responsibilities of HRM are more important than the pursuit of such nebulous concepts as employee morale and welfare. • Keeping costs low might be more important than employee morale and welfare. • In fast food restaurants building teamwork is important but there is also a need to follow rigid production processes. • Judgement made on whether maintaining morale and welfare of employees is the most important role of HRM. <p>Accept all valid responses.</p>	
AO1		2
AO2		2
AO3		2
AO4		6