

NOVEMBER 2002

GCE ADVANCED LEVEL

MARK SCHEME

MAXIMUM MARK : 40

SYLLABUS/COMPONENT : 9707/04

BUSINESS STUDIES



Question Number	Levels of Response	Mark
1	a) Knowledge and Application	
	Level 1: Identifies objectives of public and private sector organizations	1-2
	Level 2: Explains the significance of profits objective to both public and private sector organizations	3-4
	Analysis and Evaluation	
	Level 1: Explains how and why the objectives change as a result of privatization, using exemplification	1-4
	b) Knowledge and Application	
	Level 1: Identifies relevant stakeholders	1-2
	Level 2: Outlines the objectives of different stakeholder groups	3-4
	Analysis and Application	
	Level 1: Explains how different groups of stakeholders might be affected by privatization	1-5
	Level 2: Attempts to evaluate the effects of privatization on stakeholders	6-8

2		Level 1: Describes working capital	1-3	
		Level 2: Outlines the importance of working capital and its constituent elements and identifies in general terms what needs to be done to improve working capital position	4-8	
		Analysis and Evaluation		
		Level 1: Explains the methods that might be used to improve working capital	1-6	
		Level 2: Attempts to evaluate the methods that might be used to improve working capital	7-12	
	3	a)	Knowledge and Application	
			Level 1: Distinguishes between primary and secondary research	1-2
			Level 2: Outlines the factors that might affect the choice of research	3-4
			Analysis and Evaluation	
			Level 2: Explains the factors and how they affect the choice of research	1-4
		b)	Knowledge and Application	
		Level 1: Identifies a range of methods	1-2	
		Level 2: Outlines the main features of at least TWO methods	3-4	
	Analysis and Evaluation			
	Level 1: Explains how the methods might be used with some appreciation of their relative strengths and weaknesses	1-5		
	Level 2: Attempts to evaluate the methods that might be used in different situations	6-8		

4		Level 1: Defines demand elasticities	1-3
		Level 2: Outlines the main elements of demand elasticities with some attempt at how the results of calculations are interpreted	4-8
		Analysis and Evaluation	
		Level 1: Explains how Marketing Managers might use the results of the different demand elasticities	1-8
5	a)	Level 2: Attempts to evaluate the usefulness of demand elasticities	9-12
		Knowledge and Application	
		Level 1: Defines profit and cash flow	1-2
		Level 2: Understands the difference between profit and cash flow	3-4
		Analysis and Evaluation	
		Level 1: Explains how and why there might be a difference between profit and cash flow	1-4
	b)	Knowledge and Application	
		Level 1: Identifies appropriate stakeholders	1
		Level 2: Identifies the main ratios that could be used by different stakeholders	2-4
		Analysis and Evaluation	
	Level 1: Explains how different ratios might be used by different stakeholders	1-5	
	Level 2: Attempts to evaluate the usefulness of selected ratios to stakeholders	6-8	

6	a)		
		Level 1: Draws and labels an organization chart	1-2
		Level 2: Identifies key features of the formal organization	3-4
		Analysis and Evaluation	
		Level 1: Explains the main features of the formal organization with reference to an organization chart	1-4
	b)	Knowledge and Application	
		Level 1: Attempts to define the term/nature of informal leadership	1-2
		Level 2: Clear understanding of the nature of informal leadership	3-4
		Analysis and Evaluation	
		Level 1: Explains how informal leaders might influence the workings of a business	1-5
	Level 2: Attempts to evaluate the role of informal leadership on the workings of a business	6-8	