

Business Studies A

General Certificate of Secondary Education **1951/06**

Paper 6: Business Communication and Marketing (Higher Tier)

Mark Scheme for June 2010

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Question	Spec Ref	Expected Answer	Mark	Additional guidance
1(a)(i)	6.2.2(a)	<p>Target: To demonstrate knowledge of internal and external communication.</p> <p>External communication is communicating outside (1) of the business eg letters.</p> <p>Internal communication is communicating within (1) the business eg. notice boards.</p>	<p>1+1</p> <p>[2]</p>	<p>No need to provide an example.</p>
1(a)(ii)	6.2.2(a)	<p>Target: To apply knowledge of ‘barriers of communication’ to stated business</p> <p>Many possible answers</p> <p>Method used Using e-mail – some employees do not check their e-mail regularly thus messages are delayed.</p> <p>Attitude of receiver and sender The sender may ‘talk down’ to the receiver so that he / she does like what they hear. The receiver may not trust or respect the sender and so does not take notice of what is said.</p> <p>Appropriateness of feedback Feedback maybe useless / or incorrect.</p> <p><i>Allow only 1 mark for ‘people do not have a computer to access the message’. To get the second mark they must suggest that the employee will not be able to receive (1) or respond to the email.</i></p>	<p>2x2</p> <p>[4]</p>	<p>The question is between RBD and its employees.</p> <p><u>Allow</u></p> <ul style="list-style-type: none"> • Language used whether technical or country of origin • Employees might not understand the language as their first language is not English. • Internet connection is poor, or system crash. • Poor handwriting • Poor presentation • Not hear the message because of background noise, poor telephone connection. • Different time zones can also effect communication • Long communication chain could distort the message which has been sent. • Communications can break down as the message could be lost in the post (1) • Message could be misunderstood (1) • Information overload <p>Stated one mark Explanation one mark</p>

Question	Spec Ref	Expected Answer	Mark	Additional guidance
1(b)(i)	6.2.2(a)	<p>Target: To apply and analyse possible changes in employment patterns to stated business thus allowing judgement to take place.</p> <p>Many possible answers</p> <p>more workers may work from home (1) due to the lack of need for physical contact with customers (1)</p> <p><i>Allow 'more employees will work from home (1) as more banking on-line thus less premises needed (1)</i></p> <p><i>Allow 'employees may now be monitoring banking transactions via the computer (1) rather than dealing with customers face to face (1)</i></p> <p>Do not accept training / retraining. Do not allow reference to losing your job.</p>	<p>Either 1+1 or 1 x 2</p> <p>[2]</p>	<p>The question refers to existing employees, don't accept recruiting new employees.</p> <p>Employees would have to use / learn new skills to operate the internet (1)</p>
1(b)(ii)	6.2.2(a)	<p>Target: To apply and analyse possible changes in the level of total costs to stated business thus allowing judgement to take place.</p> <p>Many possible answers</p> <p>On-line banking decreases the need for branches / staff (1) thus saving rental / wage costs (1).</p> <p><i>Allow 'short run costs increase due to the need to design webpage, train staff (1) but less costs in the long run as no need for as many branches (1)</i></p>	<p>Either 1+1 or 1x2</p> <p>[2]</p>	<p>If reference to short run costs increasing due to installing software award 2 marks</p> <p>If simple reference 'increase ICT training costs' award only one mark.</p>

Question	Spec Ref	Expected Answer	Mark	Additional guidance
1(b)(iii)*	6.2.2(a)	<p>Target: To apply and analyse data on on-line banking thus allowing judgement to take place.</p> <p>Data shows</p> <ul style="list-style-type: none"> Potential market (customers/profits) for on-line banking as both the 'population' number and the 'business' number are relatively low especially noting the high figure in Denmark. A reluctance of people to bank online data is decreasing especially Denmark – albeit short run problem? <p>Many possible other factors – examples</p> <ul style="list-style-type: none"> The high profile loss of savings caused by the collapse of some of the internet banks. Cost savings in terms of building / staff.... Allow 'internet availability' / 'personal information factor'..... Reliability of secondary data Security issues Validity of the secondary data No real population figures given Customers maybe put off RBD if they don't have internet banking <p><i>Level 3</i> From the data it is clear there is a potential market (customers/profits) for on-line banking as both the 'population' number and the 'business' number are relatively low. Considering the high figure in Denmark, albeit decreasing, it does look as if there is room for profit assuming its marketing is of a good standard. However, it should be noted that the high profile loss of savings caused by the collapse of some of the internet banks over the last couple of years may frighten more potential investors thus it may take a while for the on-line banking to pay for its self,</p>		<p>Level 3 – (5 – 6) Reasoned judgement Both population and business trends referenced + one other factor referenced.</p> <p>The data reference can be implied.</p> <p>Level 2 – (3-4) Analysis of at least one of the two 'pieces' of data.</p> <p><i>This may include actions that the company may develop its internet banking in the market.</i> or one other relevant piece of information</p> <p>Level 1 – (1-2) Basic reference to the drop in banking on-line No analysis/development, listing the data/trends</p> <p><i>Ideas expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.</i> 2</p> <p><i>Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.</i> 1</p> <p><i>Candidate fails to reach the threshold standard in all respects.</i> 0</p>
			[6+2]	

		<p><u>Level 2</u></p> <p>Both trends are downward BUT 50% of businesses in Denmark still bank on-line therefore opportunities still exist for RBD</p> <p><u>Level 1</u></p> <p>Both trends going down</p>		
1(c)	6.2.2(a)	<p>Target: To apply knowledge and analyse methods of attracting customers thus allowing judgement to take place.</p> <p>Advertising on national television during peak viewing times Advertising this way will be seen by millions of people around the world albeit we do not know what countries they will be using TV advertising in ie. no point in advertising in Ethiopia. This may well significantly increase savers and hence profit. However, the cost will be high as it very expensive to advertise on TV especially during peak viewing times. Again if they do not get the increase in savers they may struggle in terms of cash flow.</p> <p>Giving a higher rate of interest on customer savings than other banks This should attract savers therefore the number of customers should increase which increases profitability. However, if the business does not get an increase in customers they may struggle to pay the higher rate of interest and may go into liquidation</p> <p><u>Example Level 3</u></p> <p><i>Advertising on TV will be seen by millions of people around the world albeit we do not know what countries they will be using TV advertising in. This may well significantly increase savers and hence profit. However, the cost will be high as it very expensive to advertise on TV especially during peak viewing times.</i></p> <p><i>Having a high rate of interest on saving accounts again should</i></p>		<p><i>Allow Level 2 for 'higher rate of interest as savers will earn more on their savings therefore more will be attracted'</i></p> <p><i>Allow Level 2 for reference to 'people often can not be bothered with moving banks simply because they get better rates of interest.'</i></p> <p>Level 3 (6-7) - Evaluation Judgement with appropriate backing. Analysis of both methods with a weakness of the method not chosen.</p> <p>Level 2 (4-5) - Analysis Analysis of at least one method of attracting customers.</p> <p>Level 1 (1-3) Knowledge / Application Statements related to stated company</p>




		<p><i>attract savers therefore the number of customers should increase which increases profitability. However, if the business does not get an increase in customers they may struggle to pay the higher rate of interest to customers and this may force them into liquidation especially when noting the high cost of advertising on TV in 5 countries.</i></p> <p>Level 2 <i>Higher rate of interest as savers will earn more on their savings therefore more will be attracted</i></p>	[7]	
1(d)(i)	6.2.2(a)	<p>Target: To demonstrate knowledge of the Data Protection Act</p> <p>All businesses that keep any information on living and identifiable people must comply with the Data Protection Act thus making sure individuals' rights to privacy (1) with respect to processing personal data, therefore the consumers 'data is not misused (1)</p> <p><i>Allow 'prevents personal details being shown to other people (1)'</i></p> <p><i>Allow 'stops businesses mistreating customers details (1) as they will get fined (1)</i></p> <p><i>Allow 'data is kept for a period of time and then deleted (1)</i></p> <p><i>Allow 'privacy of data (1) thus this data not misused (1)</i></p>	[2]	<p>A mark is awarded for knowledge of the act. Must reference to how the act benefits the consumer for the second mark.</p>

Question	Spec Ref	Expected Answer	Mark	Additional guidance
1(d)(ii)	6.2.2(a)	<p>Target: To apply knowledge of encryption to show how it may benefit a business and its customers.</p> <p>Many possible answers</p> <p>Danish e-bank This should then help as more customers bank feel safe to buy on-line (1) which helps increase revenue/profits (1)</p> <p>Customers So customers have the confidence to buy online (1) if they see a closed padlock on the screen then they will know their details are safe(1) thus there is less chance of people being able to commit fraud / buy goods which they may be liable to pay for (1).</p> <p><i>Allow 'confident to buy on-line (1) which saves banks money which means they may give higher interest on savings (1)</i></p>	<p>2 x 2</p> <p>[4]</p>	<p>Stated one mark Explanation one mark</p>
		Total	[31]	

Question	Spec Ref	Expected Answer	Mark	Additional guidance
2(a)(i)	6.2.2(a)	<p>Target : To apply knowledge of marketing to stated business.</p> <p>Many possible answers</p> <p>Marketing identifies potential parents (1) who may use the school which enables the school to review its marketing mix (1) thus allowing the school to have an interlinked 4P'S thus maximising profit (1).</p> <p>Allow 'marketing gets parents to know about the school (1) therefore they may send there children thus school makes money (1)'</p> <p><i>Allow 'marketing helps keep competitive (1)</i> <i>Allow 'marketing helps to keep the business name in the public eye (1)</i> <i>Allow 'advertising attracts customers (1)</i></p>	[3]	<ul style="list-style-type: none"> • Reference to any of the 4 P's (1) • Reference to identifying customers (1) • Reference to objective e.g., max profit / staying competitive (1)
2(a)(ii)	6.2.2(a)	<p>Target: To apply knowledge of the marketing mix.</p> <p>Many possible answers</p> <p>Yes we see that there is no way the school could charge £10 000 per year if the school did not achieve high A*- C pass rates (1). Likewise there is no point in charging £10 000 if the facilities are poor (1) and you should advertise in press where there is more chance educated people will read (1) as they are likely to have more money hence demand fee paying student places (1).</p> <p><i>Allow three marks fo 'private sector school will be aiming at socio -grouping A and B therefore Times paper is appropriate as high earners read it and they can afford the high price'.</i></p>	<p>4x1</p> <p>[4]</p>	<p>Answer must be in the context of the school The mark for the times must be linked to high income readership.</p> <p>Each of the 4P'S TO BE REFERENCED for full mark allocation</p>

2 (b)	6.2.2(a)	<p>Target: To apply knowledge of SWOT analysis to highlight the possible benefits to stated company.</p> <p>Many possible answers</p> <p>This will help it to make decisions as it will be able to decide on future strategies (1) for the business that will enable it to remain competitive (1) / survive.</p> <p><i>Allow 'weakness is lack of sporting facilities therefore put money into this area (1) thus remain competitive (1)</i> Allow one mark for 'to improve'.</p>	<p>1 x 2 2 x 1</p> <p>[2]</p>	<p><i>Candidates may use fig. therefore award any implicit reference to future strategies / remaining competitive / survival</i></p>
2(c)	6.2.2(a)	<p>Target: To apply knowledge of video conferencing to stated business.</p> <p>Many possible answers</p> <p><u>Advantage of video conferencing</u> No need to employ a full time teacher (1) thus saving on wages (1)</p> <p><i>Allow 'Meeting customer wants'</i> <i>Allow 'Providing courses you may not have the staff'</i> <i>Allow 'Improve image'</i></p> <p><u>Disadvantage of video conferencing</u> Interaction of the sender and the receiver more difficult than if in the room Harder to gauge reaction of the sender/receiver as if in person. <i>Allow 'outcry from parents (1) as they pay a lot of money to send their children to the school hence there should be a teacher in the school (1)'.</i> <i>Allow 'this may lead to student behaviour problems (1) which may impact on the schools success(1)</i> <i>Allow 'problem if it breaks down (1)'</i></p>	<p>2x2</p> <p>[4]</p>	<p><i>Do not allow 'have to set-up software'</i> <i>Do not allow 'expensive to set up/ require specialists to set up'</i></p> <p>Answer must be linked to the business ie., the school NOT the students</p> <p>Stated one mark Explanation one mark</p>

Question	Spec Ref	Expected Answer	Mark	Additional guidance
2(d)	6.2.2(a)	<p>Target: To apply knowledge of using the internet to send information thus allowing one advantage and one disadvantage to be highlighted.</p> <p>Many possible answers</p> <p><u>Advantages</u> Parents receive them electronically (1) which means they will instantly have access to them when ever they need them (1)</p> <p><i>Allow 'convenient for the parent to access the report'', and 'eliminates the problem of postal delays so the parent gets the report on-time'</i> <i>Allow 'data on their children is safe'</i> <i>Allow 'reports can accessed 24/7', 'anywhere around the world'</i> <i>Allow 'parents get reports quicker'</i></p> <p><u>Disadvantages</u> Do all parents have a computer/internet access (1) therefore some may not in theory receive the report (1).</p> <p><i>Allow 'Computers breakdown (1), therefore parents receive may not receive the reports on time (1)</i></p>	[4]	<p>NOTE question relates to <u>parents</u> NOT the <u>school</u></p> <p><i>Allow two marks for referencing to 'e-mail problems (1) thus receive the reports (1)'</i></p>

2(e)(i)	6.2.2(a)	Target: Demonstrate K/U of factors influencing price thus allowing evaluation			3 x 1	
		Event	<u>Likely</u> to cause an increase in school fees.	<u>Unlikely</u> to cause an increase in school fees.		
		Building new sporting facilities				
		Share ICT facilities with another school nearby				
		Reducing the number of students in each class				
					[3]	

Question	Spec Ref	Expected Answer	Mark	Additional guidance
2(e)(ii)	6.2.2(a)	<p>Target: To demonstrate knowledge of 'price elasticity' by analysing data and making appropriate calculation.</p> <p>Q/D -17.6% (1) P 10% (1)</p> <p><i>Therefore</i></p> <p>PED = 1.8 allow 1.7 (1) DO NOT ALLOW 1.7%</p>	[3]	<p>Candidates who show workings should be awarded one mark for</p> <p><i>Correct price calculation namely 10%</i> <i>Correct Q/D calculation namely 17.6%</i> <i>Correct answer namely 1.8</i></p> <p>CANDIDATE CAN OBTAIN ALL THREE MARKS IF THEY HAVE SHOWN NO WORKINGS ASSUMING THEY HAVE THE CORRECT ANSWER.</p>
2(e)(iii)	6.2.2(a)	<p>Target: To apply understanding of 'price elasticity', and analyse data on student fees thus allowing judgement to take place.</p> <p>The Headteacher should clearly not increase the price of the yearly school fee (1). The forecasted increase in price is high (10%) and this would result in parents becoming more price sensitive– moving from 0.5 to 1.7(1). As a result demand for places would significantly drop thus causing a drop in income (1).</p> <p><i>Allow 'customers are elastic (1) therefore the business will lose out if they increase price (1)</i></p> <p><i>Allow 'price has gone up by 10% and this may dissuade parents from sending their child to the school'</i></p>	[2]	<p><u>The candidate may have incorrectly calculated in the previous question. This candidate can still obtain full marks if he/she has interpreted his/her calculation correctly</u></p> <p>Allow one mark for using data in the table without using their calculation ie., 'if they increase fees revenue goes down thus they should not increase fees'.</p> <p>Clear reference to elasticity required for both marks</p>

Question	Spec Ref	Expected Answer	Mark	Additional guidance
2(f)	6.2.2(a)	<p>Target: To analyse methods of payments thus allowing judgement to take place.</p> <p>Many possible answers</p> <ul style="list-style-type: none"> • <i>Belt tightening</i> • <i>Security of payment increased</i> • <i>Free credit</i> • <i>Easier and quicker to use / more convenient</i> • <i>Ability to pay later</i> • <i>Pay over the internet / online banking</i> • <i>Safer method of payment for the payee</i> • <i>Schools / businesses may not accept cheques anymore</i> • <i>People prefer to use cash instead of cheques</i> <p>Example <i>As with the current change in paying fees from cash to credit cards (1), if I was a parent I would use a credit card as you do not have to carry that amount of cash (1) to the school and you will have a about a month to pay (1) with no interest added (1). Indeed you would actually lose interest on savings if you paid using cash (1). More secure (1) therefore less chance of fraud (1)</i></p> <p><i>Allow 'increase use of credit card (1) because more secure (1) therefore less chance of fraud (1)</i></p>	<p>2 X 2 1 X 4</p> <p>[4]</p>	<p>The trend can be implied through the use of the reasons for change.</p> <p>Students are not expected to know the difference between credit and debt cards</p> <p>One mark for identifying more people using credit cards Max three for reasons why this may be the case</p>
		Total	[29]	
			[60]	

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