

2024 Business Management

National 5

Question Paper Finalised Marking Instructions

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General marking principles for National 5 Business Management

This information is provided to help you understand the general principles you must apply when marking candidate responses to questions in this paper. These principles must be read in conjunction with the detailed marking instructions, which identify the key features required in candidate responses.

- (a) Marks for each candidate response must **always** be assigned in line with these general marking principles and the detailed marking instructions for this assessment.
- (b) Marking should always be positive. This means that, for each candidate response, marks are accumulated for the demonstration of relevant skills, knowledge and understanding: they are not deducted from a maximum on the basis of errors or omissions.
- (c) If a specific candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.
- (d) i. Questions that ask candidates to Describe... Candidates must make a number of relevant, factual points up to the total mark allocation for the question. These should be key points. The points do not need to be in any particular order. Candidates may provide a number of straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question:

- 1 mark should be given for each accurate relevant point of knowledge.
- a second mark could be given for any point that is developed from the point of knowledge.
- ii. Questions that ask candidates to Explain...

Candidates must make a number of points that relate cause and effect and/or make the relationships between things clear, for example by showing connections between a process/situation. These should be key reasons and may include theoretical concepts. There is no need to prioritise the reasons.

Candidates may provide a number of straightforward reasons or a smaller number of developed reasons, or a combination of these.

Up to the total mark allocation for this question:

- 1 mark should be given for each accurate relevant point of reason.
- a second mark could be given for any other point that is developed from the same reason
- iii. Questions that ask candidates to Compare...

Candidates must demonstrate a true comparison in order to gain any mark. Both sides of the point must be clear but need not be linked. Candidates can write several points regarding the first comparison item followed by several points on the second and the marker match the points using codes (eg a, b, c)

Up to the total mark allocation for this question:

• 1 mark should be given for each compared point

Where a mark is available for the development of a response this is exemplified in the marking instructions, a hollow bullet point is used to show the developed response.

Marking instructions for each question

Section 1

(Question		Expected response(s)	Max mark	Additional guidance
1.	(a)	(i)	 owners/shareholders customers employees 	2	Candidates must identify 2 stakeholders to gain full marks. Award 1 mark for each valid identification. Accept any other suitable response.
		(ii)	 owners/shareholders interested in profits return on investment customers high quality product/service to get value for money employees good level of pay/salary good working conditions to have job security future promotion prospects 	2	Candidates must describe one interest for each stakeholder to gain full marks. Award 1 mark for each valid description. Accept consequentiality for other stakeholders from (a)(i). Accept any other suitable response.
	(b)		 be market leader/world number one be innovative/offer unique product make/increase profit to grow provide a quality product/make great pizza at home employees are empowered/at the heart of the business/people focussed culture affordable/value for money to make the world better 	3	Candidates must outline 3 objectives to gain full marks. Award 1 mark for each valid outline. Accept any other suitable response.

Question		Ехрес	ted r	esponse(s)	Max mark	Additional guidance
(c)		 premium/high a high price/higher than coordinate or it ensures exclusivity competitive/market similar/same as competito or relies on other elements ilow lower than competitors or may suggest poorer qual 	rs s of t	he marketing mix	3	Candidates must describe at least 2 pricing strategies to gain full marks. Award 1 mark for each valid description. Award 1 mark for a valid development. Accept any other suitable response.
(d)	(i)	Assurance checked throughout production process costs more due to regular checks mistakes found earlier so less waste	whereas	Control checked at beginning/end costs less (as fewer checks) mistakes not found until the end (more waste)	2	Award 1 mark for each valid distinction. Accept any other suitable response.
	(ii)	 good quality raw materials training/trained staff hiring skilled staff maintaining/well maintaine up-to-date technology 		achinery	1	Award 1 mark for a valid outline.

Questic	on	Expected response(s)		Additional guidance
(e)		<pre>generate the idea come up with a new idea/identify a new idea gather information/carry out market research analyse the idea investigate if the idea is feasible produce a prototype create a model of the product test the product check for safety/durability receive feedback from test market alter the product make changes based on feedback produce the product start manufacturing of the final product decide on the price/promotion</pre>	4	Candidates must describe at least 2 stages to gain full marks. Award 1 mark for each valid description. Award 1 mark for each valid development. Accept any other suitable response.
(f)	(i)	increasing/rising/going up	1	Award 1 mark for a valid identification.
	(ii)	 increase sales (eg decrease price, offer promotions) reduce cost of sales (eg cheaper raw materials, cheaper delivery costs) reduce expenses (eg reduce wages, advertising cost, cheaper utilities) 	2	Candidates must outline 2 actions to gain full marks. Award 1 mark for each valid outline. Accept any 2 named expenses. Accept any 2 actions that increase sales. Accept any other suitable response.

Q	Question		Expected response(s)		Additional guidance
2.	(a)	(i)	• private	1	Award 1 mark for a valid identification.
		(ii)	 public sector owned by the Government controlled by MPs/councillors financed by taxes aims to provide a service eg NHS, Army third sector not-for-profit making controlled by a board of trustees financed by donation/fundraising/membership fees aims to be sustainable eg charities, social enterprises 	2	Candidates must outline 2 sectors to gain full marks. Award 1 mark for each valid outline. Accept consequentiality from (a)(i). Accept any other suitable response.
	(b)		Goods tangible you can see and touchServices intangible something that is done for you eg a mobile phoneeg a mobile phoneeg provided by a bus driver	1	Award 1 mark for a valid distinction.
	(c)	(i)	 homeworking/remote working/working from home 	1	Award 1 mark for a valid identification. Do not accept any other response.

Questi	on	Expected response(s)		Additional guidance
	(ii)	 employees can fit work around other commitments avoid stress of travel/commuting reduces travel costs reduces travelling time do not need to live within travelling distance of office can choose to spend some time in the office to meet colleagues do not need to change jobs to suit work-life balance organisation save on rent/mortgage costs as less office space is required save on utility bills/heating/lighting as less office space is required reduces carbon footprint to help meet environmental targets can recruit from a wide pool of applicants can create loyal employees/reduce staff turnover reduces recruitment costs temporary employees can cover peak periods 	5	Candidates must give at least one benefit for employee and one benefit for organisation to gain full marks. Award 1 mark for each valid justification. Award 1 mark for each valid development. Watch for repeated justifications/ developments. Accept any other suitable response.
(d)	(i)	 word processing can be used to create a job description word processing can be used to create a person specification Internet/social media can be used to advertise vacancies e-mail can be used to send out application forms database can be used to store applicant's details DTP/presentation software to produce a job advert intranet can be used to advertise internal vacancies 	2	Candidates must describe 2 ways to gain full marks. Award 1 mark for each valid description. Accept any other suitable response.

Question		Expected response(s)	Max mark	Additional guidance
	(ii)	 review of application compare application forms/CVs to person specification allows for a shortlist to be created takes time to review all application forms/CVs telephone interview applicant answers questions over the phone removes the need to travel to the interview can hear applicant's voice/telephone manner for call centre job testing practical assessment to show candidates' abilities can measure skills/knowledge/fitness/IQ candidate may underperform under pressure may incur financial cost to set up may need specialist assessors final face-to-face interview in-person meeting whereby applicants answer questions assessor can see applicant's body language more detailed responses/information can be collected unfair judgements can be made based on appearance 	4	Candidates must discuss at least 2 methods to gain full marks. Award 1 mark for each valid discussed point. Award 1 mark for each valid development. Maximum 2 marks for descriptions. Watch for repetition. Accept any other suitable response.
(e)	(i)	human resources/employees/managerfinance	2	Candidates must identify 2 factors to gain full marks. Award 1 mark for each valid identification.
	(ii)	 HR/employees/manager employees provide good/bad service managers can make good/bad decisions employees can take industrial action finance can purchase assets may lead to cutting costs 	2	Candidates must describe the influence of both factors to gain full marks. Award 1 mark for each valid description. Accept consequentiality from (e)(i). Accept any other suitable response.

Section 2

Question	Expected response(s)		Additional guidance
3. (a)	 bank loan finance borrowed and paid back with interest in instalments mortgage when a large sum of money is borrowed to purchase property/land paid back in instalments over a long period of time lower interest payable than a loan retained profits profits from a previous year which are reinvested into the business government grant given to a business that applies for it/meets certain criteria/conditions does not need to be repaid overdraft taking more money out of your bank account than is present in your account personal savings money SAVED by the owner/using the owners own money no interest is charged share issue inviting people to buy a share in the business shareholders will have a say in decision making 	4	Candidates must describe at least 2 sources to gain full marks. Award 1 mark for each valid description. Award 1 mark for each valid development. Watch for repetition. Accept any other suitable response.

Questio	n Expected response(s)	Max mark	Additional guidance
	 hire purchase purchase an asset and repay in instalments, the business owns the asset after all payments are made helps with cash flow 		
(b)	fixed costs• cost that does not change with output/salestotal costs• variable costs plus fixed coststotal revenue• units sold multiplied by selling price• income generated from salesbreak-even point• when total revenue equals total costs• point at which no profit or loss is made	4	Candidates must define all 4 terms to gain full marks. Award 1 mark for each valid definition. Accept any other suitable response.
(c)	gross profit - £8,000 profit for the year - £7,000	2	Award 1 mark for each correct calculation. Do not accept any other response.

C	uestion	Expected response(s)		Additional guidance
4.	(a)	 advantages increased capital increased specialisation improves quality of service shared responsibility/workload more/shared ideas disadvantages arguments can occur profit sharing unlimited liability personal assets can be taken to repay business debts 	4	Candidates must discuss at least one advantage and one disadvantage to gain full marks. Award 1 mark for each valid discussed point. Award 1 mark for each valid development. Accept any other suitable response.
	(b)	 may lead to customer loyalty which could give repeat sales may make it easier to introduce new products this could increase profits likely to result in fewer complaints this allows the organisation to concentrate on core activities likely to lead to the organisation having a good reputation this may attract new customers customers may recommend to friends/family which would increase market share may be able to charge higher prices 	3	Candidate must describe at least 2 reasons to gain full marks. Award 1 mark for each valid description. Award 1 mark for a valid development. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
(c)	political • increase in national living wage - increases expenses/wage costs economic • increase in interest rates - higher cost of borrowing social • change in taste and fashions - have to update products technological • new technology is introduced - may need to train all employees environmental • bad weather - may result in late deliveries competitive • competitior changing prices - may need to also adjust prices	3	Candidates must explain influence of 3 factors to gain full marks. Award 1 mark for each valid explanation. Accept any other suitable response.

Questio	n Expected response(s)	Max mark	Additional guidance
5. (a)	 expensive to train employees - may reduce profit employees may be absent from work to attend courses - cover may be required cost of temporary employees once trained, employees may leave - recruitment process then required reduction in production while employees are away being trained customer orders not fulfilled external training providers may provide generic training - may lead to confusion/issues with production reduction in quality while employees are being trained - may lead to more customer complaints 	3	Candidates must explain at least 2 costs to gain full marks. Award 1 mark for each valid explanation. Award 1 mark for a valid development. Accept any other suitable response.
(b)	 Equality Act 9 protected characteristics age, disability, sex, pregnancy and maternity, race, religion or belief, sexual orientation, gender reassignment, marriage and civil partnership deters discrimination/treated fairly/treated equally/prevents victimisation prevents harassment Health and Safety at Work Act shows employer and employee responsibilities ensures employees have a safe working environment ensures employees are provided with safety equipment/clothing 	4	Candidates must outline at least one feature of EA and one feature of HASAWA for full marks. Award 1 mark for each valid outline. Award 1 mark for each valid development. Maximum 1 mark for listing 2 or more protected characteristics. Accept any other suitable response.

C	Question	Expected response(s)	Max mark	Additional guidance
	(c)	 strike employees refuse to work sit in employees occupy the workplace but don't carry out any work overtime ban employees refuse to work additional hours/more than their contracted hours work to rule employees only do what is required in their contract 	3	Candidates must describe 3 forms of industrial action to gain full marks. Award 1 mark for each valid description. Accept any other suitable response.
6.	(a)	 product price place promotion 	3	Candidates must identify 3 elements to gain full marks. Award 1 mark for each valid identification. Accept any other suitable response.
	(b)	 product may become damaged - increase in customer complaints fewer returning customers increased wastage more product returns/compensation too much packaging/use of unnecessary plastic upsets some groups of consumers - leading to poor reputation leading to environmental damage/more landfill product information may be misleading - could lead to legal action cheaper materials can be used - which reduce production costs 	3	Candidates must explain 2 consequences to gain full marks. Award 1 mark for each valid explanation. Award 1 mark for a valid development. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
(c) (i)	 road rail air sea 	2	Candidates must identify 2 methods to gain full marks. Award 1 mark for each valid identification. Accept any other suitable response.
(ii)	 road there are many different vehicles types available (eg refrigerated) door to door delivery rail usually less delays on train tracks compared to roads can deliver large volume of products at once can deliver heavy/bulky products more environmentally friendly than road air quickest method to transport products worldwide able to reach places that other transport methods cannot sea can deliver large volume of products at once cost is often cheaper than other methods routes are flexible 	2	Candidates must justify both methods identified in (c)(i) to gain full marks. Award 1 mark for each valid justification. Easy/quick/cheap etc must be qualified. Watch for repetition. Accept any other suitable response.

Question		on	Expected response(s)		Additional guidance
7.	(a)	(i)	minimum inventory level	1	Award 1 mark for a valid identification.
		(ii)	 800 units 600 units 	2	Candidates must identify both figures/numbers to gain full marks. Award 1 mark for each valid identification.
	(b)		 production may stop - products will not be available in future will not be possible to meet unexpected orders - sales revenue decreases employees will have to be paid even if not producing anything - increases costs business will be viewed as unreliable - creates a poor image 	2	Candidates must explain 2 problems to gain full marks. Award 1 mark for each valid explanation. Accept any other suitable response.
	(c)		 lead time short lead times would allow quicker access to goods credit terms can pay at a later date can help with cash flow reliability will deliver the correct quantity when agreed will deliver on time will deliver the agreed quality of materials 	3	Candidates must justify all 3 factors to gain full marks. Award 1 mark for each valid justification. Watch for repetition. A different justification should be given for each factor. Accept any other suitable response.
	(d)		 identical products produced made on a continuous production/assembly line parts are added to the product as it moves along a production line/made in stages capital intensive/highly automated large quantities produced/mass production 	2	Candidates must describe 2 features to gain full marks. Award 1 mark for each valid description. Accept any other suitable response.