



National
Qualifications
EXEMPLAR PAPER ONLY

EP05/H/01

Business Management

Date — Not applicable

Duration — 2 hours and 15 minutes

Total marks — 70

SECTION 1 — 30 marks

Attempt ALL questions.

SECTION 2 — 40 marks

Attempt ALL questions.

Write your answers clearly in the answer booklet provided. In the answer booklet you must clearly identify the question number you are attempting.

Use **blue** or **black** ink.

It is recommended that you spend 15 minutes reading over the information provided in **SECTION 1** before responding to the questions.

Before leaving the examination room you must give your answer booklet to the Invigilator; if you do not, you may lose all the marks for this paper.



* EP05H01 *

SECTION 1 — 30 marks

Read ALL the following information and attempt ALL the questions that follow.

Peter Scott & Co.

Peter Scott & Co., the Hawick based textile manufacturer, was sold as a going concern to UK clothing company Gloverall in 2010 after entering administration earlier the same year. Almost 120 of the existing Peter Scott & Co. staff were made redundant by the administrators. The remaining 20 staff were transferred to the Northampton based Gloverall, who originally made their name manufacturing duffle coats.

At the time Samuel Lee, Gloverall director, said, “Gloverall is delighted to acquire a business with such a rich heritage and brand presence. We are currently reviewing our intentions to recommence full production of Peter Scott & Co. products in Hawick”.

The Beginning

Peter Scott founded the company in 1878 and the business was still manufacturing in Hawick over 130 years later. During this time it had become one of Scotland’s best known exporters.



From the beginning Peter Scott & Co. always strove to buy the best in wool, silk, cashmere and cotton. This policy of purchasing expensive high quality materials continued until the company went into administration in 2010.

The company, in an effort to promote the brand image, always maintained close links with sporting and cultural activities. Peter Scott & Co. continues to supply a great deal of its clothing to the golfing world and has an exclusive range of golfing knitwear.

Present Situation

Despite having an excellent reputation and strong brand, Peter Scott & Co. suffered heavily from increased overseas competition. This resulted in the 120 redundancies and forced the company directors to work closely with local and national government agencies to save the remaining jobs. The Scottish Government attempted to help the company directors by setting up discussions with several parties who had an interest in purchasing the company.

Gloverall’s Plans for Peter Scott & Co.



Gloverall’s Finance Director, Walter Goulding, suggested that it wanted to rebuild the workforce saying, “We are continuing to employ the initial 20 people from Peter Scott & Co., but will look to build back up the local workforce”. He added, “The administrators had decimated the workforce. There were no knitters or production staff left which left us in a poor situation to begin with. But the Peter Scott brand is an excellent product and we want to get production up to full

speed again in Hawick as soon as possible. The ‘Made in Scotland’ label is very important to our future success”.

Gloverall had to look closely at the production and manufacturing facilities in the existing Hawick factory. The building was old and unsuitable for modern manufacturing practices and the machinery at the Hawick factory needed upgrading to incorporate the latest technology.

SECTION 1 (continued)

Traditionally, knitwear production is very labour intensive and the workers require close supervision. The management of Gloverall has invested in modern technology to improve the process, making use of just-in-time production at the Hawick factory. The old machinery, which relied heavily on skilled staff, has been replaced with new automated machines. This has resulted in a change to the staff skills required at the Hawick factory.

“Banks Renewables” Invest in the Local Community

Peter Scott & Co. has created a link with Banks Renewables, through an initiative called “Learning Working Earning”. Banks Renewables will give grants to jobless people who are prevented from taking up work offers because they cannot afford vital tools, smart work clothes or protective equipment. It will also consider requests for help with transport and childcare costs to allow people to enter the job market. Employers will also be able to apply for financial assistance to help cover the costs of taking on modern apprentices, or in supporting employees who are involved in work-based learning.

The initiative will help create new opportunities for local workers, who it is hoped that through this support, will have more creative ideas of their own and require less direct input from managers.

Alistair Young, Operations Manager at Peter Scott & Co. said “The ‘Learning Working Earning’ initiative is definitely of major interest to us. Thankfully, with the rise in demand for authentic Scottish Produce, we have seen a fantastic growth in trade with our sales up by 30% in the last two years. This means we are now in a position to expand our workforce”.

Major Projects Set to Reverse Investment Slump in The Borders

Scottish Borders Council and Scottish Enterprise continue to help in the Borders region with grants available for research and innovation high on the priority list. EU initiatives are also available to help non-retail businesses which support local jobs. The directors of Peter Scott & Co. are eagerly looking to use these initiatives to help the business increase the skills set of its current and future employees.

Adapted from *The Scotsman*, May 2010

Drapersonline.com

Gloverall.com

www.banksgroup.co.uk/borders-business-backs-wind-farm-training-investment/

Further Information

Exhibit 1 — Peter Scott & Co. Brand Range

Golf Knitwear — Peter Scott & Co. offers an extensive range of exclusive, personalised knitwear for both men and lady golfers. Available for custom logo embroidery, Peter Scott knitwear is ideal for golf societies, golf club cresting and corporate golf days.



Fashion Knitwear — Peter Scott & Co. combines quality and craftsmanship with innovation and design. All garments are crafted in its factory in Hawick, and include a new range for both summer and winter.



Exhibit 2 — Boston Matrix

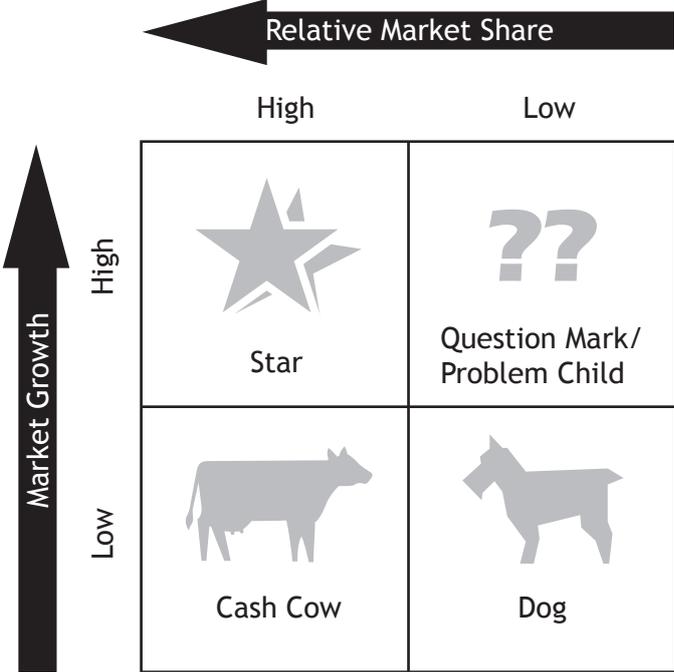


Exhibit 3 — Traditional Labour Intensive Knitwear Production vs Modern Automated Knitwear Production



The following questions are based on ALL the information provided and on knowledge and understanding you have gained whilst studying the Course.

- | | | |
|---------|--|---|
| 1. (a) | Describe the sources of finance and assistance available to Peter Scott & Co. that are highlighted in the information provided. | 3 |
| (b) | Exhibit 1 shows that Peter Scott & Co. has a range of new products. Describe the pricing strategies that Peter Scott & Co. could use to launch these products. | 6 |
| (c) (i) | Peter Scott & Co. has moved from labour intensive to automated production. Explain the costs and benefits of automated production for Peter Scott & Co. | 5 |
| (ii) | Discuss the use of just-in-time for Peter Scott & Co. | 4 |
| (d) (i) | Describe the different styles of leadership that managers of Peter Scott & Co. could use. | 5 |
| (ii) | Describe how workforce planning could ensure Peter Scott & Co. has appropriate staff. | 3 |
| (e) | Exhibit 2 shows a Boston Matrix. Explain how a Boston Matrix can be used by Peter Scott & Co. to manage its product portfolio. | 4 |

SECTION 2 — 40 marks**Attempt ALL questions**

- | | | |
|----|---|---|
| 2. | (a) Describe the possible methods of growth for a public limited company. | 5 |
| | (b) Explain the impacts that 3 political factors could have on an organisation. (A different impact should be explained each time.) | 3 |
| | (c) Describe the factors that influence the formal structure of an organisation. | 2 |
| 3. | (a) Describe the final accounts that would be produced by an organisation. | 3 |
| | (b) Describe the reasons why a competitor would make use of another organisation's final accounts. | 2 |
| | (c) Describe the limitations of ratio analysis when making financial decisions. | 5 |
| 4. | (a) Describe the impact of the Equality Act 2010 on organisations and employees. | 3 |
| | (b) Explain the advantages of staff training to an organisation. | 3 |
| | (c) Explain the impact of industrial action on an organisation. | 4 |
| 5. | (a) Discuss the use of quality standards for an organisation. | 6 |
| | (b) Describe the use of ICT in a stock control system. | 4 |

[END OF EXEMPLAR QUESTION PAPER]

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Business Management

Marking Instructions

These Marking Instructions have been provided to show how SQA would mark this Exemplar Question Paper.

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General marking principles for Higher 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) For each candidate response, the following provides an overview of the marking principles. Refer to the specific Marking Instructions for further guidance on how these principles should be applied.

Marks will be awarded as follows for:

- (i) Questions that ask candidates to Describe . . .

Candidates must make a number of relevant factual points, which may be characteristics and/or features, as appropriate to the question asked. These points may relate to a concept, process or situation.

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 relevant factual point
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate.

- (ii) Questions that ask candidates to Explain . . .

Candidates must make a number of accurate, relevant points that relate cause and effect and/or make the relationships clear. These points may relate to a concept, process or situation.

Candidates may provide a number of straightforward points of explanation 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 relevant point of explanation
- **1 mark** should be given for a further development of a relevant point, including exemplification when appropriate.

- (iii) Questions that ask candidates to Compare . . .

Candidates must demonstrate knowledge and understanding of the similarities and/or differences between things, methods or choices, for example. The relevant comparison points could include theoretical concepts.

Up to the total mark allocation for this question:

- **1 mark** should be given for each accurate point of comparison.

- (iv) Questions that ask candidates to Discuss . . .

Candidates must make a number of points that communicate issues, ideas, or

information about a given topic or context that will make a case for and/or against. It is not always necessary to give both sides of the debate in responses.

Up to the total mark allocation for this question:

- **1 mark** should be given for each accurate point of knowledge that is clearly relevant
- **1 mark** should be given for any further development of a relevant point, including exemplification or a conclusion when appropriate.

Detailed Marking Instructions for each question

SECTION 1

| Question | | Possible response | Max mark | Additional guidance |
|----------|---|---|----------|--|
| 1 | a | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Scottish Borders Council and Scottish Enterprise provide grants for training, research and development and innovation. • Banks Renewables “Learning Working Earning” initiative helps provide grants to allow local people looking for jobs to enter the job market with training, equipment, and childcare costs all being paid for. • The Scottish Government provides help by setting up discussions with interested parties who might have bought out Peter Scott & Co. • European Union initiatives provide help for staff training. <p>Accept any other suitable response.</p> | 3 | <p>Candidates’ responses must be based on the information from the case study.</p> <p>Award 1 mark for each valid description.</p> <p>To gain full marks, at least one point must refer to financial assistance.</p> |
| 1 | b | <p>Responses could include the following:</p> <p>Premium Pricing/High Pricing</p> <ul style="list-style-type: none"> • Choose a high price to sell the product. • High price is maintained throughout the life of the product. • This will give the customer an image of quality: <ul style="list-style-type: none"> — The use of quality material and hand craftsmanship allows for a high price to be charged (1 development mark). — The perception of quality with the ‘Made in Scotland’/authentic Scottish identity allows high prices to be charged overseas (1 development mark). <p>Competitive Pricing</p> <ul style="list-style-type: none"> • Price of product is at the same price as similar products. • Helps prevent a price war. • Allows consumers to see the product as of similar value as competitors, eg, pricing golf jumpers the same as other brands. | 6 | <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a development point.</p> <p>To gain full marks at least two pricing strategies must be described.</p> <p>Up to 5 marks can be awarded for describing any one pricing strategy.</p> <p>The names of pricing strategies used are not required but it must be clear from the description which pricing strategy is being referred to.</p> |

| Question | | | Possible response | Max mark | Additional guidance |
|----------|---|----|--|----------|---|
| | | | <p>Cost Plus</p> <ul style="list-style-type: none"> • The cost of producing the product is worked out. • An amount of profit is then added onto the cost to create a selling price. • Can take into account advertising or endorsement costs. <p>Accept any other suitable response.</p> | | |
| 1 | c | i | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Peter Scott & Co. will have higher production rates as machines can work 24/7. • Improved quality as the automated machines do not make mistakes. • Improved safety as machines can work in conditions not suitable for humans, eg, temperature or dust. • Consistent quality as machines do not vary their production. • Reduces labour costs as fewer workers needed which increases profits. • High capital expenditure for Peter Scott & Co. when moving over to automated production will result in lower profits. • A lower degree of flexibility in terms of the possible products as compared with a manual system which allows for skilled staff to be flexible/creative. • A higher level of maintenance is needed than with a manually operated machine which increases costs for Peter Scott & Co. <p>Accept any other suitable response.</p> | 5 | <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for a development point.</p> <p>To gain full marks at least one cost and one benefit must be explained.</p> |
| 1 | c | ii | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Capital is not tied up in stock and can be used elsewhere in the organisation. • There is less warehouse space needed for stock. • Less stock is stored which should result in less wastage. • Theft will be reduced as stock is more tightly controlled. • Changes in fashion or trends will have less of an impact. • If stock does not arrive production can stop. • May lose out on bulk buying discounts. | 4 | <p>Award 1 mark for each valid discussion point.</p> <p>Award 1 mark for a development point.</p> <p>Full marks can be awarded for either all positives or all negatives of JIT.</p> <p>No marks awarded for 'flip' points.</p> |

| Question | | | Possible response | Max mark | Additional guidance |
|----------|---|---|---|----------|--|
| | | | <ul style="list-style-type: none"> • There will be an increase in delivery costs as more frequent transportation exists. • There is a high dependence on suppliers. • May increase administration costs due to more ordering. • Stock may have to go straight into production and there may not be time to check it for quality. • Production not started until order arrives – this can improve cash flow. <p>Accept any other suitable response.</p> | | |
| 1 | d | i | <p>Responses could include the following:</p> <p>Autocratic</p> <ul style="list-style-type: none"> • The managers of Peter Scott & Co. would direct the workers in all activities. • There will be very close supervision of the workers. • There will be a clear division between the managers of Peter Scott & Co. and the workers. • There will be little or no consultation or participation in any decision making by the workers. • Is used in workplace situations when there is no time for group discussions. <ul style="list-style-type: none"> — For example in an emergency situation when a decision has been taken quickly (1 development mark). • Where workers are low skilled. <p>Democratic</p> <ul style="list-style-type: none"> • The managers of Peter Scott & Co. will share the decision making with the workers. • The workers will be consulted and their input into decision making will be valued. • This will increase the motivation and morale of workers as they feel valued. • This can lead to better ideas and more creativity within the workforce. • Employees will more likely be highly skilled and personally motivated. | 5 | <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a development point.</p> <p>To gain full marks at least two leadership styles must be described.</p> <p>Up to 4 marks can be awarded for describing any one leadership style.</p> <p>The names of leadership styles used are not required but it must be clear from the description which leadership style is being referred to.</p> |

| Question | | | Possible response | Max mark | Additional guidance |
|----------|---|----|--|----------|--|
| | | | <p>Laissez-faire</p> <ul style="list-style-type: none"> • Peter Scott & Co. managers will give the full power of decision making in certain situations to the workers. • The managers will delegate tasks to the workers and leave them to complete the task. • A high degree of autonomy exists. • Works well when the employees are highly skilled and experienced in their jobs. <ul style="list-style-type: none"> — Employees will have a pride in their work and a personal drive to succeed (1 development mark). <p>Accept any other suitable response.</p> | | |
| 1 | d | ii | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Carry out a skills analysis of current staff at the Hawick factory to look at gaps. • Examine local and national workforce skills. • Staffing forecasts for Peter Scott & Co. to meet future production demand. <ul style="list-style-type: none"> — Consider short and long term staffing requirements at Hawick. • Analysing the use of outsourcing/sub-contracting available to Peter Scott & Co. • Consider flexible work patterns, part-time/temporary/zero hour contracts. • Peter Scott & Co. needs to develop a strategy to fill identified gaps. • Continually monitor the flow of staff into and out of the organisation. <p>Accept any other suitable response.</p> | 3 | <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a development point.</p> |
| 1 | e | | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • The Boston Matrix shows market share and growth of each product which Peter Scott & Co. can use to analyse which products need further development or ones it needs to stop producing. • The Boston Matrix is helpful to evaluate the balance in Peter Scott & Co.'s product portfolio so that decisions on marketing investments can be made. | 4 | <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for a development point.</p> |

| Question | Possible response | Max mark | Additional guidance |
|----------|---|----------|---------------------|
| | <ul style="list-style-type: none"> • Stars are high growth products competing in strong markets so will need a high level of investment to sustain growth. <ul style="list-style-type: none"> — Examples of this are Peter Scott & Co.’s customised and fashion ranges in which growth has increased by 30% in just two years. • Cash cows have a high market share in a low growing market so can generate cash that businesses can “milk” as long as possible. <ul style="list-style-type: none"> — These products give continuous profit to businesses that can be re-invested into the “stars” of the future. • Ideally a portfolio should be spread over all three categories except dogs so that maximum profits can be made by Peter Scott & Co. <ul style="list-style-type: none"> — This will help spread the risk over the whole portfolio such as with Peter Scott & Co.’s male and female clothing range. <p>Accept any other suitable response.</p> | | |

SECTION 2

Detailed Marking Instructions for each question

| Question | | Possible response | Max mark | Additional guidance |
|----------|---|---|----------|---|
| 2 | a | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Vertical Integration – organisations at a different stage in the same industry combine together. • Horizontal Integration – organisations at the same stage of production combine together. • Backward Vertical Integration – when a business takes over a supplier. • Forward Vertical Integration – when a business takes over a customer. • Conglomerate/Diversification – organisations in completely different industries combine together. • De-integration/de-merger – organisations cut back and concentrate on only their core activities. • Divestment – sell off assets or subsidiary companies to raise finance for growth. • Organic growth – organisations increase the number of products sold or number of outlets • Merger – when two firms opt to join their operations together. • Takeover – when an organisation purchases the majority of shares in another organisation. <p>Accept any other suitable response.</p> | 5 | <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a development point.</p> <p>No label is required but if a label is given then it must match the description. If there is no label it must be clear which method the candidate is referring to.</p> <p>To gain full marks at least two methods must be described.</p> <p>Up to 4 marks can be awarded for describing any one method.</p> |
| 2 | b | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Legislation – any appropriate law with an appropriate effect, eg new laws on sale of alcohol have to be complied with or the organisation will face a fine from the government. • Taxation rates may change which will affect the profitability of an organisation. • Level of NHS funding may affect the number of people treated or the prices charged by private hospitals. • Government initiatives in education have meant that private public | 3 | <p>Award 1 mark for each explanation of the effect.</p> <p>Watch for repetition – eg legislation is one factor only.</p> <p>No development marks can be awarded in this question.</p> |

| Question | | Possible response | Max mark | Additional guidance |
|----------|---|--|----------|--|
| | | <p>partnerships have allowed companies to bid to build new schools.</p> <ul style="list-style-type: none"> • Credit any relevant government policy with an appropriate explanation of the effect on the organisation, eg giving loans to banks to help with credit crunch in 2009. <p>Accept any other suitable response.</p> | | |
| 2 | c | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • The size of the organisation, larger organisations tend to be more formal and smaller organisations tend to be less formal. • Technology used – the impact of modern technology can influence how organisations structure their activities, ie easier to communicate over larger distances. • Staff knowledge and skills – if staff are highly skilled a less formal structure can exist. • The market – firms may choose to group activities around their different customers or geographical area. • Products they sell – firms with lots of different products might group their activities around the different products. • Finance available – lack of finance could limit the choice of structure or grouping. <p>Accept any other suitable response.</p> | 2 | <p>Award 1 mark for each valid description.</p> <p>To gain full marks, two separate descriptions must be given.</p> <p>No development marks can be awarded in this question.</p> |

| Question | | Possible response | Max mark | Additional guidance |
|----------|---|--|----------|--|
| 3 | a | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Trading section of the Income Statement (Trading account) – shows the gross profit over a period of time. Gross profit is the difference between the cost of goods sold and sales (1 development mark). • Profit section of the Income Statement (Profit and loss account) – shows the net profit or loss over a specified period of time and takes into account all expenses. • Appropriation account – shows the amount of profits distributed to owners and the amount retained. • Statement of Financial Position (Balance sheet) – shows the value of a business at a specific date. Contains items such as fixed and current assets, liabilities and capital <p>Accept any other suitable response.</p> | 3 | <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a development point.</p> <p>To gain full marks at least two different accounts must be described.</p> |
| 3 | b | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • To work out if they are making a similar percentage profit. GP% or NP%. • To compare expenses. • To see if they are ripe for a takeover. • To measure the other organisation's market share. • To aid decision making. <p>Accept any other suitable response.</p> | 2 | <p>Award 1 mark for each valid description.</p> <p>To gain full marks two separate reasons must be described.</p> <p>No development marks can be awarded in this question.</p> |
| 3 | c | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Assumes the information they are based on is reliable. • Information is immediately historical. • Findings do not take into account external factors. • New products or product development is not taken into account. • Staff morale or turnover is not taken into account. • Difficult to compare different organisations as you may not know the basis used, eg stock valuations. <p>Accept any other suitable response.</p> | 5 | <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a development point.</p> |

| Question | | Possible response | Max mark | Additional guidance |
|----------|---|--|----------|---|
| 4 | a | <p>Responses could include the following:</p> <ul style="list-style-type: none"> Managers are required to ensure the organisation complies with the Act. Provides protection for employees who have “protected characteristics”. Organisation cannot discriminate because of: age, disability, gender, pregnancy and maternity, race, religion or belief and sexual orientation. Harassment – employees can complain of behaviour they find offensive even if it is not directed at them. Victimisation – someone is treated badly because they have made/supported a complaint or grievance under the Act. <p>Accept any other suitable response.</p> | 3 | <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a development point.</p> <p>Max 1 for the “protected characteristics”.</p> |
| 4 | b | <p>Responses could include the following:</p> <ul style="list-style-type: none"> Allows for a wider pool of skills to be available to the organisation which can mean staff can carry out a wider range of tasks. Staff are able to cover for absent colleagues as they now have the skills. Training is motivational for staff and should mean they are happier at their work which will improve performance. Can improve the quality of product/service provided which will result in improved customer relations. Improves the image of the organisation which means they will attract a better calibre of worker. Might reduce the number of accidents at work which will reduce any compensation or injuries to employees/customers. It may be required to introduce change and will make the staff more acceptable to change. This will allow the organisation to be more flexible in the marketplace as more people wish to work for them. <p>Accept any other suitable response.</p> | 3 | <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for a development point.</p> <p>To gain full marks at least two advantages of staff training must be given.</p> |
| 4 | c | <p>Responses could include the following:</p> <ul style="list-style-type: none"> Strike: employees refuse to carry out their work which will mean no products/services are sold or produced. | 4 | <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for a development point.</p> |

| Question | | Possible response | Max mark | Additional guidance |
|----------|---|--|----------|---|
| | | <ul style="list-style-type: none"> • Overtime ban: employees refuse to work any overtime which can mean orders are late. • Go slow: employees work at a slower rate than normal which can increase the costs of production. • Sit in: employees do no work while remaining at their workplace which prevents employers bringing in other staff to do their work. • Work to rule: employees only undertake the tasks which are in their job descriptions and do nothing else which will result in jobs taking longer to do. • Picket: employees demonstrate outside the place of work which can result in bad publicity for the organisation. • Lock-out: when employers prevent work from taking place at all. • Boycott: voluntary abstaining from using, eg equipment. • Sabotage: deliberate destruction of, eg equipment. <p>Accept any other suitable response.</p> | | <p>No label is required but if a label is given then it must match the explanation. If there is no label it must be clear which method the candidate is referring to.</p> <p>To gain full marks at least two impacts of industrial action must be explained.</p> <p>Up to 3 marks can be awarded for explaining any one impact.</p> |
| 5 | a | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Proves the product/service has met an agreed level of quality. • Can be used as a marketing tool to gain a competitive advantage. • Will give customers confidence when purchasing the product. • May ensure repeat sales of the product. • Involves a very lengthy and time consuming process. • Agreed standards need to be maintained at all times. • Will require thorough checks and audits by BSI staff to prove the standards have been met. • Rigorous record keeping of purchases and production must be kept. • Higher prices can then be charged. • Fewer customer complaints/less returns. • Limits waste. • Increase sales/repeat sales/gain sales from competitors. <p>Accept any other suitable response.</p> | 6 | <p>Award 1 mark for each valid discussion point.</p> <p>Award 1 mark for a development point.</p> <p>Full marks can be awarded for either all positive views or all negative views.</p> <p>No marks are awarded for 'flip' points if both positive and negative points are discussed.</p> |

| Question | | Possible response | Max mark | Additional guidance |
|----------|---|--|----------|--|
| 5 | b | <p>Responses could include the following:</p> <ul style="list-style-type: none"> • Databases can be used to keep balances of stock which are automatically updated. • Databases can be linked to tills through EPOS which means stock can be ordered automatically when it reaches the re-order level. • Allows for accurate/constant monitoring of stock levels. • Can allow for decisions on slow moving stock/view best sellers to be made by managers from their computer. • Can highlight regional variations in stock from head office. • Is a deterrent to theft by staff. <p>Accept any other suitable response.</p> | 4 | <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a development point.</p> |

[END OF EXEMPLAR MARKING INSTRUCTIONS]