



# **2013 Business Management**

## **Standard Grade Foundation**

### **Finalised Marking Instructions**

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## **Part One: General Marking Principles for Business Management Standard Grade Foundation**

*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 specific Marking Instructions for each question.*

- (a)** Marks for each candidate response must always be assigned in line with these general marking principles and the specific Marking Instructions for the relevant question. 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/Principal Assessor.
- (b)** Marking should always be positive ie, marks should be awarded for what is correct and not deducted for errors or omissions.

### **GENERAL MARKING ADVICE: Business Management Standard Grade Foundation**

The marking schemes are written to assist in determining the “minimal acceptable answer” rather than listing every possible correct and incorrect answer. The following notes are offered to support Markers in making judgements on candidates’ evidence, and apply to marking both end of unit assessments and course assessments.

**Part Two: Marking Instructions for each Question**

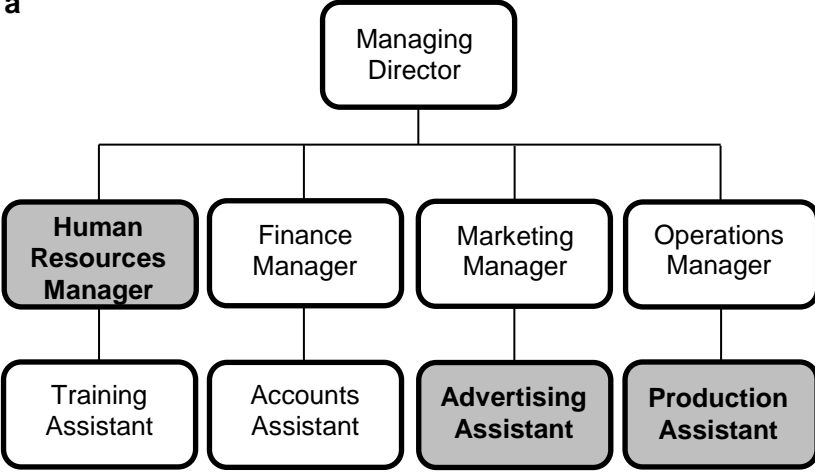
Question		Expected Answer/s	Max Mark	Additional Guidance
1	a	Private limited company <input checked="" type="checkbox"/>	1KU	
1	b	Employs large numbers of staff <input checked="" type="checkbox"/> Operates in more than one country <input checked="" type="checkbox"/>	2KU	
1	c	<ul style="list-style-type: none"> <li>• Sell globally</li> <li>• Reach a wider audience</li> <li>• Advertise products</li> <li>• Sell more products/increase market share</li> <li>• Allow people to buy online/24:7</li> <li>• Provide people with business information (history/contact details)</li> <li>• To communicate with customers</li> <li>• To display information such as location, contact details etc</li> <li>• Advertise job vacancies</li> <li>• Increase awareness of business</li> <li>• Carry out market research</li> </ul>	1DM	
1	d	Low cost of raw materials <input checked="" type="checkbox"/> Skilled workers <input checked="" type="checkbox"/>	2KU	

Question		Expected Answer/s	Max Mark	Additional Guidance
2	a	Merge with another shoe shop <input checked="" type="checkbox"/> Introduce new products <input checked="" type="checkbox"/>	2KU	
2	b	<ul style="list-style-type: none"> <li>• Increased profits/more money</li> <li>• Increased sales/customers/market share</li> <li>• Better reputation</li> <li>• Control of market</li> <li>• Economies of scale</li> </ul>	1DM	
2	c	<ul style="list-style-type: none"> <li>• Telephone survey</li> <li>• Personal interview</li> <li>• Postal survey</li> <li>• Online survey</li> <li>• Comments card</li> <li>• Website feedback</li> <li>• Hall test/focus group</li> <li>• E-mail</li> <li>• Primary</li> <li>• Secondary</li> <li>• Field</li> <li>• Desk</li> </ul>	2KU	
2	d	<ul style="list-style-type: none"> <li>• Telephone</li> <li>• Letter</li> <li>• E-mail</li> <li>• Text/SMS</li> <li>• Social Networking (Facebook/Twitter) - accept as 2 suggestions</li> <li>• Advertising – accept 2 methods named</li> <li>• Magazine/newspaper articles</li> <li>• Written/oral/visual – accept separately</li> <li>• Website</li> <li>• Field research – accept 2 methods</li> </ul>	2DM	

Question		Expected Answer/s	Max Mark	Additional Guidance						
3	a	<ul style="list-style-type: none"> <li>• Wages</li> <li>• Machinery/equipment</li> <li>• Cows/milk</li> <li>• Feed for cows</li> <li>• Packaging</li> <li>• Advertising</li> <li>• Premises</li> <li>• Insurance</li> <li>• Electricity/heating/lighting</li> <li>• Fixed costs eg rent</li> <li>• Raw materials</li> <li>• Cost of production</li> </ul>	2DM	Accept 2 individually named raw materials						
3	b	<ul style="list-style-type: none"> <li>• To survive/not fail/keep out of debt/not go into debt</li> <li>• Break even</li> <li>• Continue trading</li> <li>• So they can pay their bills</li> <li>• Allow them to make a profit</li> </ul>	1KU							
3	c	a good <input checked="" type="checkbox"/>	1KU							
3	d	<table border="1"> <tr> <td>Milk is delivered to shops</td> <td>Output</td> </tr> <tr> <td>Milk is turned into skimmed, semi-skimmed and full fat milk</td> <td>Process</td> </tr> <tr> <td>Milk from cows is received in the dairy</td> <td>Input</td> </tr> </table>	Milk is delivered to shops	Output	Milk is turned into skimmed, semi-skimmed and full fat milk	Process	Milk from cows is received in the dairy	Input	3KU	
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Question		Expected Answer/s	Max Mark	Additional Guidance										
4	a	<ul style="list-style-type: none"> <li>• Keep all profits to themselves</li> <li>• Get to make all decisions/be their own boss – accept separately</li> <li>• Easy to set (no legal requirements)</li> <li>• Decide working hours/holidays</li> </ul>	2KU											
4	b	<table border="1"> <thead> <tr> <th>Business Plan Headings</th> <th>Information</th> </tr> </thead> <tbody> <tr> <td>Human Resources</td> <td>Number of employees</td> </tr> <tr> <td>Finance</td> <td>Cash Budget</td> </tr> <tr> <td>Marketing</td> <td>Results from Market Research</td> </tr> </tbody> </table>	Business Plan Headings	Information	Human Resources	Number of employees	Finance	Cash Budget	Marketing	Results from Market Research	3KU			
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4	c	<table border="1"> <thead> <tr> <th>Miss COCO</th> <th>Factor of Production</th> </tr> </thead> <tbody> <tr> <td>Sarah Finlay</td> <td>Enterprise</td> </tr> <tr> <td>Factory Workers</td> <td>Labour</td> </tr> <tr> <td>Chocolate making Equipment</td> <td>Capital</td> </tr> <tr> <td>Cocoa Beans</td> <td>Land</td> </tr> </tbody> </table>	Miss COCO	Factor of Production	Sarah Finlay	Enterprise	Factory Workers	Labour	Chocolate making Equipment	Capital	Cocoa Beans	Land	4KU	
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Question		Expected Answer/s	Max Mark	Additional Guidance								
5	a	2012	1DM									
5	b	2010	1DM									
5	c	<ul style="list-style-type: none"> <li>• Fall in demand</li> <li>• Decrease in advertising</li> <li>• Increase in price</li> <li>• Decrease in quality</li> <li>• Increase in competition</li> <li>• Recession/downturn</li> <li>• Haven't kept up to date</li> </ul>	2DM									
5	d	<ul style="list-style-type: none"> <li>• Please customer/provide choice/target different age groups</li> <li>• Increase sales</li> <li>• Increase profits/more money</li> <li>• Publicity</li> <li>• Spread risk</li> </ul>	1DM									
5	e	<table border="1"> <thead> <tr> <th>Task</th> <th>Software Application</th> </tr> </thead> <tbody> <tr> <td>Store and sort customers names and addresses</td> <td>Database software</td> </tr> <tr> <td>Prepare a business letter</td> <td>Word processing software</td> </tr> <tr> <td>Prepare slides to show at a presentation</td> <td>Presentation software</td> </tr> </tbody> </table>	Task	Software Application	Store and sort customers names and addresses	Database software	Prepare a business letter	Word processing software	Prepare slides to show at a presentation	Presentation software	3DM	
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6	<p>a</p>  <pre> graph TD     MD[Managing Director] --&gt; HRM[Human Resources Manager]     MD --&gt; FM[Finance Manager]     MD --&gt; MM[Marketing Manager]     MD --&gt; OM[Operations Manager]     HRM --&gt; TA[Training Assistant]     FM --&gt; AA[Accounts Assistant]     MM --&gt; AdA[Advertising Assistant]     OM --&gt; PA[Production Assistant] </pre>	3DM	Accept HR, Advertising + Production with rest of title														
6	<p>b</p> <p>Managing Director</p>	1DM															
6	<p>c</p> <table border="1" data-bbox="352 1003 1046 1350"> <thead> <tr> <th>Definition</th> <th>Term</th> </tr> </thead> <tbody> <tr> <td>Employee has job for as long as they want it.</td> <td>Permanent</td> </tr> <tr> <td>Working 'nine-to-five' 5 days a week.</td> <td>Full-time</td> </tr> <tr> <td>Two employees sharing one job.</td> <td>Jobshare</td> </tr> <tr> <td>Working only 2 days a week.</td> <td>Part-time</td> </tr> <tr> <td>Employees choose the hours they work.</td> <td>Flexi-time</td> </tr> <tr> <td>Employment is for a short period.</td> <td>Temporary</td> </tr> </tbody> </table>	Definition	Term	Employee has job for as long as they want it.	Permanent	Working 'nine-to-five' 5 days a week.	Full-time	Two employees sharing one job.	Jobshare	Working only 2 days a week.	Part-time	Employees choose the hours they work.	Flexi-time	Employment is for a short period.	Temporary	5KU	
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6	<p>d</p> <ul style="list-style-type: none"> <li>• Pay/increase pay</li> <li>• Bonus</li> <li>• Perks</li> <li>• Appraisal</li> <li>• Promotion</li> <li>• Verbal praise</li> <li>• Works night/day out</li> <li>• Dress down days</li> <li>• Holidays</li> <li>• Flexible working</li> <li>• Staff discount</li> <li>• Improved working conditions</li> <li>• Employee of the month</li> </ul>	2DM															



Question			Expected Answer/s	Max Mark	Additional Guidance
7	a		Private Sector <input checked="" type="checkbox"/>	1KU	
7	b	i	<ul style="list-style-type: none"> <li>• New smells</li> <li>• New products</li> <li>• Different size of products</li> <li>• Improve quality</li> <li>• Train workers</li> <li>• Better quality raw materials</li> <li>• Better equipment/machinery</li> <li>• Natural ingredients</li> <li>• Improve packaging/recycled packaging</li> </ul>	2DM	
7	b	ii	<ul style="list-style-type: none"> <li>• (<i>Retained</i>) profits</li> <li>• Sell shares</li> <li>• Debentures</li> <li>• Mortgage</li> <li>• Bank Loan – accept ‘bank’ or ‘loan’ separately</li> <li>• Grant (Government)</li> <li>• Venture Capitalist</li> <li>• Overdraft</li> <li>• Increase selling price</li> <li>• Sale of assets</li> <li>• Loan from family and friends</li> </ul>	1DM	
7	c		<ul style="list-style-type: none"> <li>• TV</li> <li>• Radio</li> <li>• Newspaper/magazine – accept separately</li> <li>• Internet pop-up/website – accept separately</li> <li>• Bus shelter/side of bus/taxi</li> <li>• Billboard</li> <li>• Cinema</li> <li>• Shop window/in store</li> <li>• Flyer</li> <li>• Social Networking</li> </ul>	2DM	
7	d		High quality <input checked="" type="checkbox"/>	1DM	

Question		Expected Answer/s	Max Mark	Additional Guidance
8	a	<ul style="list-style-type: none"> <li>• To raise funds to help animals</li> <li>• To survive</li> <li>• To break even</li> <li>• Education about animal welfare</li> <li>• Provide a service to the community</li> <li>• Rehome animals</li> <li>• Provide medical help for sick animals</li> <li>• Provide neutering</li> </ul>	<b>2DM</b>	
8	b	<ul style="list-style-type: none"> <li>• Fundraising events – accept 2 named events</li> <li>• Donations/Door to door</li> <li>• Sponsorship of an animal</li> <li>• Government grant</li> <li>• Lottery funding</li> <li>• Money raised in shops</li> </ul>	<b>2DM</b>	
8	c	<ul style="list-style-type: none"> <li>• Manager</li> <li>• Employee</li> <li>• Volunteer</li> <li>• Customer</li> <li>• Donors</li> <li>• Local community/general public</li> <li>• Government</li> <li>• Bank</li> </ul>	<b>1KU</b>	

[END OF MARKING INSTRUCTIONS]