



2015 Business Management

Intermediate 1

Finalised Marking Instructions

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Part One: General Marking Principles for Business Management Intermediate 1

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. *You can do this by posting a question on the Marking Team forum or by e-mailing/phoning the e-marker Helpline.*
- (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 Intermediate 1

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

Section One

Question		Expected Answer(s)	Max Mark	Additional Guidance				
1.	(a)	<ul style="list-style-type: none"> • Gap in the market • No competitors • Wanted to be own boss • Limited liability • Customer demand for apps • High revenue in America <p>1 mark each reasonable answer</p>	2					
1.	(b)	<ul style="list-style-type: none"> • Provide grants • Provide loans • Advice on business start-up • Assistance in writing business plans • Training courses • Promote the business • Free business mentor for 2 years • Provide specialist advisers eg legal <p>1 mark for any reasonable answer</p>	1					
1.	(c)	<table border="1" style="width: 100%;"> <tr> <td style="width: 15%;">Needs</td> <td>Items that you require to survive eg food, water, clothing and shelter</td> </tr> <tr> <td>Wants</td> <td>Luxury products that improve the standard of your life</td> </tr> </table>	Needs	Items that you require to survive eg food, water, clothing and shelter	Wants	Luxury products that improve the standard of your life	2	
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Question		Expected Answer(s)	Max Mark	Additional Guidance
2.	(a)	<ul style="list-style-type: none"> • Postal Survey – can reach wide geographic location • Personal Interview – allows 2 way communication • Telephone Survey – response is immediate • Focus Group – allows thoughts and opinions to be gained <p>1 mark for identification – max 2</p>	2	
2.	(b)	<ul style="list-style-type: none"> • Postal Survey – can reach wide geographic location • Personal Interview – allows 2 way communication • Telephone Survey – response is immediate • Focus Group – allows thoughts and opinions to be gained <p>1 mark for advantage – max 2</p>	2	
3.		<ul style="list-style-type: none"> • Research & development – prototypes are developed and tested • Growth – sales rise sharply due to increased awareness • Maturity – sales reach their peak • Saturation – lots of competitors • Decline – sales fall rapidly <p>1 mark identification of stage – max 2 1 mark any reasonable description – max 2</p>	4	
4.		<ul style="list-style-type: none"> • Public Sector – owned and controlled by the government • Voluntary Sector (Third) – organisations that do not make profits eg Charities/Voluntary organisations <p>1 mark identification of sector – max 2 1 mark any reasonable description – max 2</p>	4	

Question		Expected Answer(s)	Max Mark	Additional Guidance								
5.	(a)	<p><u>Advantages</u></p> <ul style="list-style-type: none"> • Limited liability • Greater access to finance • Economies of scale • Specialisation <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> • Profits must be shared amongst shareholders • Legal process to follow to set-up • Must abide by the Companies Act • Can't sell shares on the stock market <p>1 mark each reasonable advantage – max 1 1 mark each reasonable disadvantage – max 1</p>	2									
5.	(b)	<table border="1"> <thead> <tr> <th>Organisation</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Sole Trader</td> <td>• Owned by one person</td> </tr> <tr> <td>Partnership</td> <td>• Owned by 2-20 partners</td> </tr> <tr> <td>Public Limited Company</td> <td>• Owned by shareholders • Shares are bought on the stock market</td> </tr> </tbody> </table> <p>One mark for identification and one mark for description of a type of organisation</p>	Organisation	Description	Sole Trader	• Owned by one person	Partnership	• Owned by 2-20 partners	Public Limited Company	• Owned by shareholders • Shares are bought on the stock market	2	
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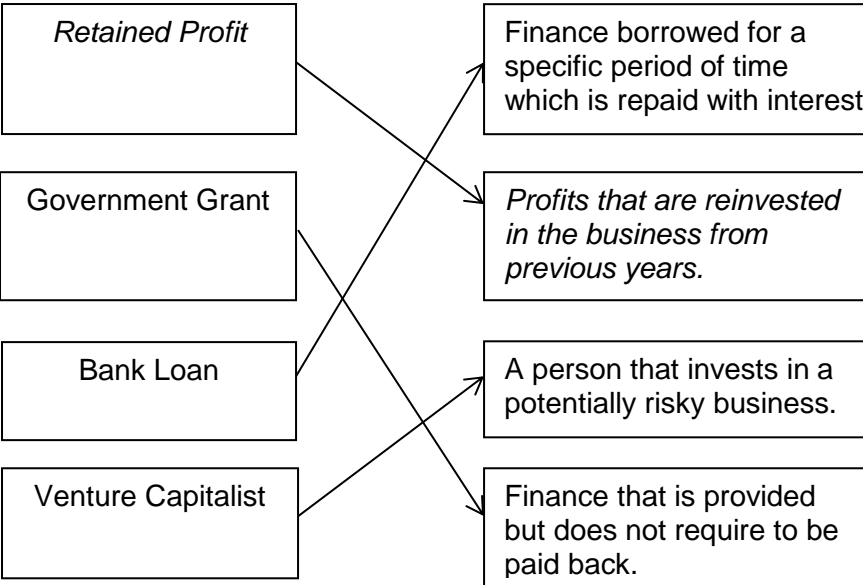
Question		Expected Answer(s)	Max Mark	Additional Guidance
6.	(a)	<ul style="list-style-type: none"> • To identify periods of cash shortage • To identify periods of cash surplus • To plan for investment • To set targets • To control costs • To secure a bank loan <p>1 mark each reasonable answer</p>	2	
6.	(b)	<ul style="list-style-type: none"> • Trading Account – calculates the gross profit • Profit & Loss Account – calculates the net profit • Balance Sheet – summarises the assets and liabilities/shows net worth <p>1 mark for identification – max 1 1 mark each reasonable description – max 1</p>	2	

[END OF SECTION ONE]

Section Two

Question		Expected Answer(s)	Max Mark	Additional Guidance
1.	(a)	<ul style="list-style-type: none"> • Job production Used when a single product is made to a customer's specification • Batch production Groups of similar products are made at one time • Flow production Where the product being produced flows through various stages with parts being added at each stage. Examples are cars and televisions. <p>1 mark each identification – max 2 1 mark each description – max 2</p>	2	
1.	(b)	<p>(i)</p> <p>Holding too much stock</p> <ul style="list-style-type: none"> • Stock may deteriorate • Stock may become obsolete • Greater risk of theft • Cost of storage <p>1 mark any reasonable response</p>	1	
		<p>(ii)</p> <p>Holding too little stock</p> <ul style="list-style-type: none"> • Can hold up production • Customers left unhappy • Permanent loss of customers to competitors <p>1 mark any reasonable response</p>	1	
2.	(a)	<ul style="list-style-type: none"> • Job title • Location • Hours • Salary • Responsibilities • Any other reasonable response <p>1 mark each reasonable response</p>	3	
2.	(b)	<ul style="list-style-type: none"> • Person specification – describes the ideal applicant eg personal qualities • Curriculum vitae – lists the qualifications and work experience of the applicant • Application form – preprinted form provided by the organisation that an applicant will complete and return • Interview checklist – is used during an interview to take brief notes on each interviewee • Reference – a report from a previous employer 	4	

Question		Expected Answer(s)	Max Mark	Additional Guidance
3.	(a)	<ul style="list-style-type: none"> • Spreadsheet/MS Excel • Database/MS Access • Word processing/MS Word <p>1 mark each reasonable response</p>	2	
3.	(b)	<p>Graphical</p> <ul style="list-style-type: none"> • Can identify trends • Comparisons can be made easily • Good way to display numerical information <p>Written</p> <ul style="list-style-type: none"> • Can be kept as a record • Easy to collect <p>1 mark each reasonable response</p>	2	
4.		<p><u>Email Advantage</u></p> <ul style="list-style-type: none"> • Provides instant communication • Provides worldwide communication • One message can be sent to multiple recipients <p><u>Email Disadvantage</u></p> <ul style="list-style-type: none"> • Increase in junk mail • Viruses may be spread • Staff may use the email facility for personal use <p><u>Videoconferencing Advantage</u></p> <ul style="list-style-type: none"> • Reduces the cost of travelling • No work time is lost through travelling • Reduces cost of accommodation • Reduces the risk of jet lag <p><u>Videoconferencing Disadvantage</u></p> <ul style="list-style-type: none"> • Can be expensive to buy the equipment • Staff may require training • Possible problems with time differences • Connections can be poor or disrupted (signal strength) <p>1 mark each Advantage – max 2 1 mark each Disadvantage – max 2</p>	4	

Question	Expected Answer(s)	Max Mark	Additional Guidance												
5.	<table border="1"> <thead> <tr> <th data-bbox="296 259 560 293">Stakeholders</th> <th data-bbox="560 259 823 293">Interest</th> <th data-bbox="823 259 1086 293">Influence</th> </tr> </thead> <tbody> <tr> <td data-bbox="296 293 560 566"><i>Shareholders</i></td> <td data-bbox="560 293 823 566"><i>Want good dividends</i></td> <td data-bbox="823 293 1086 566">(i) Vote at an AGM 1 mark for reasonable influence</td> </tr> <tr> <td data-bbox="296 566 560 801"><i>Employees</i></td> <td data-bbox="560 566 823 801">(ii) good wages 1 mark any reasonable interest</td> <td data-bbox="823 566 1086 801">Work harder</td> </tr> <tr> <td data-bbox="296 801 560 969">(iii) Supplier 1 mark</td> <td data-bbox="560 801 823 969"><i>Receiving prompt payment</i></td> <td data-bbox="823 801 1086 969"><i>Putting up their prices</i></td> </tr> </tbody> </table>	Stakeholders	Interest	Influence	<i>Shareholders</i>	<i>Want good dividends</i>	(i) Vote at an AGM 1 mark for reasonable influence	<i>Employees</i>	(ii) good wages 1 mark any reasonable interest	Work harder	(iii) Supplier 1 mark	<i>Receiving prompt payment</i>	<i>Putting up their prices</i>	3	
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6.	 <p data-bbox="220 1671 946 1704">1 mark each correctly matched up source of finance</p>	3													

[END OF MARKING INSTRUCTIONS]