



National  
Qualifications  
2018

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# **2018 Business Management**

## **Advanced Higher**

### **Finalised Marking Instructions**

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## General marking principles for Advanced 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 specific marking instructions for each question. The marking schemes are written to assist in determining the 'minimal acceptable answer' rather than listing every possible correct and incorrect answer.*

- (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) For each candidate response, the following provides an overview of the marking principles. You should refer to the detailed 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 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 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 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.

(v) Questions that ask candidates to ‘**Analyse ...**’

Candidates must demonstrate the ability to identify/describe/explain relevant parts, and the relationship between the parts and/or the whole. Candidates should be able to draw out and relate any implications and/or analyse data.

Up to the total mark allocation for this paper:

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

(vi) Questions that ask candidates to ‘**Evaluate ...**’

Candidates must demonstrate the ability to make a reasoned judgement in terms of the effectiveness or usefulness of something based on criteria. Candidates should be able to determine the value of something within context.

Up to the total mark allocation for this question:

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

(vii) Questions that ask candidates to ‘**Explore ...**’

Candidates must demonstrate the ability to carry out a detailed examination or enquiry, or follow a process in order to find out something.

Up to the total mark allocation for this question:

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

## Detailed marking instructions for each question

### Section 1

Question	Expected answer(s)	Max mark	Additional guidance
1.	<p>Responses could include:</p> <ul style="list-style-type: none"> <li>• <u>Tailoring training to individual capabilities</u> – maximise the abilities of each employee to be able to undertake a good job.</li> <li>• <u>Tailoring training to match individual ambitions</u> gives employees something to aim for so will work harder to achieve this.</li> <li>• <u>Regular feedback from managers</u> lets employees know how to improve.</li> <li>• <u>50,000 people were trained</u> – almost half of its employees have improved skills to perform well.</li> <li>• <u>80% of employees</u> is a high amount of people who feel they can do their job better – so provide a high quality service.</li> <li>• <u>Regular talent reviews are conducted to identify high-potential future leaders</u> mean employees will work hard to be noticed. <ul style="list-style-type: none"> <li>○ However, if only 60 of them are chosen it is not a high number of employees.</li> </ul> </li> <li>• <u>Employees’ views are considered</u> – gives everyone the chance to contribute towards improvement.</li> <li>• <u>Customer Experience Leadership programme on listening to customers</u> allows team leaders to better understand what customers want and provide it.</li> </ul>	6	<p>Candidates’ responses should be based on the information from the case study.</p> <p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Award <b>1 mark</b> for a development point.</p> <p>Maximum <b>1 general mark</b> for benefits of training not related to Vodafone.</p> <p>Accept any other suitable response.</p>

Question	Expected answer(s)	Max mark	Additional guidance																														
2.	<p>Responses could include:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%; text-align: left;">DRIVERS</th> <th style="width: 34%; text-align: center;">EQUILIBRIUM</th> <th style="width: 33%; text-align: right;">RESISTORS</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Rapidly growing market →</td> <td></td> <td style="text-align: center;">← Difficult Regulations/roaming price caps</td> </tr> <tr> <td style="text-align: center;">Young and expanding populations →</td> <td></td> <td style="text-align: center;">← Increased service tax</td> </tr> <tr> <td style="text-align: center;">Faster economic growth →</td> <td></td> <td style="text-align: center;">← Competitive market conditions</td> </tr> <tr> <td style="text-align: center;">Low but rising mobile penetration →</td> <td></td> <td style="text-align: center;">← Piecemeal release of Spectrum</td> </tr> <tr> <td style="text-align: center;">Less fixed line infrastructure →</td> <td></td> <td style="text-align: center;">← Low network coverage</td> </tr> <tr> <td style="text-align: center;">The mobile Internet is often the only connection to the Internet →</td> <td></td> <td style="text-align: center;">← Lower incomes</td> </tr> <tr> <td style="text-align: center;">Continued increase in the number of customers →</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">Strong data growth →</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">Increased competition in Europe →</td> <td></td> <td></td> </tr> </tbody> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>ASSETS FOR CHANGE:</b> Experience of the market, finance available, experience in 26 countries, well established, well-known brand</p> </div>	DRIVERS	EQUILIBRIUM	RESISTORS	Rapidly growing market →		← Difficult Regulations/roaming price caps	Young and expanding populations →		← Increased service tax	Faster economic growth →		← Competitive market conditions	Low but rising mobile penetration →		← Piecemeal release of Spectrum	Less fixed line infrastructure →		← Low network coverage	The mobile Internet is often the only connection to the Internet →		← Lower incomes	Continued increase in the number of customers →			Strong data growth →			Increased competition in Europe →			8	<p>Candidates' responses should be based on the information from the case study.</p> <p>Up to <b>4 marks</b> for force field diagram:</p> <p>Award <b>1 mark</b> for 2 correct drivers. Award <b>1 mark</b> for 2 correct resistors. Award <b>1 mark</b> for an asset for change. Award <b>1 mark</b> for differing arrows and correct headings (drivers and resistors).</p> <p>Award <b>1 mark</b> for each valid point of analysis.</p> <p>Up to <b>4 marks</b> for analysis of any individual drivers and/or resistors.</p> <p>A maximum of <b>1 mark</b> for an overall evaluation.</p> <p>A maximum of <b>4 marks</b> if there is no diagram.</p>
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	<p><b>Drivers</b></p> <ul style="list-style-type: none"> <li>• <u>Rapidly growing market</u> – lots of customers who do not yet own a mobile phone means lots of potential customers.</li> <li>• <u>Young and expanding populations</u> – tend to be the types of consumers who buy mobile phones and use data.</li> <li>• <u>Faster economic growth</u> – means the population will have disposable income to spend on goods like phones.</li> <li>• <u>Low but rising mobile penetration</u> – still room for growth in the market.</li> <li>• <u>Less fixed line infrastructure</u> – means that customers need access to mobile data.</li> <li>• <u>The mobile Internet is often the only connection to the Internet for people in these regions</u> – a large potential market for Vodafone.</li> <li>• <u>Continued increase in the number of customers</u> – large market to target, leading to increased revenue.</li> <li>• <u>Strong data growth</u> – potential for increased revenue.</li> <li>• <u>Increased competition in Europe</u> – market is becoming saturated in Europe; less chance of growth.</li> </ul> <p><b>Resistors</b></p> <ul style="list-style-type: none"> <li>• <u>Difficult Regulations/price caps for roaming</u> – limits potential revenues.</li> <li>• <u>Increased service tax</u> – Vodafone will have to pay more to operate in India.</li> <li>• <u>Competitive market conditions</u> – can make market penetration difficult.</li> <li>• <u>Piecemeal release of Spectrum</u> – makes it difficult to provide customers with access to mobile data or Vodafone’s operating system.</li> <li>• <u>Low network coverage</u> – will mean increased investment by Vodafone thus affecting short term profits.</li> </ul>		

Question	Expected answer(s)	Max mark	Additional guidance
3.	<p>Responses could include:</p> <ul style="list-style-type: none"> <li>• <u>Lowering mobile termination rates</u> means Vodafone cannot charge what it likes for customers receiving calls which will lower revenue.</li> <li>• <u>Limiting the amount that operators can charge for mobile roaming services</u> will also reduce revenue and profits. <ul style="list-style-type: none"> <li>○ Customers may no longer switch off roaming when abroad increasing their use of Vodafone services, increasing revenue.</li> </ul> </li> <li>• <u>The abolition of roaming surcharges by June 2017</u> means Vodafone will have to find another source of income to replace the lost revenue/Vodafone cannot up-sell packages for people going on holiday.</li> <li>• <u>The regulatory environment in Europe is challenging and continually changing</u> means Vodafone will have to employ specialists to keep up with constant changes. <ul style="list-style-type: none"> <li>○ Increasing staff costs and reducing profit.</li> </ul> </li> <li>• <u>'Ofcom' decided that companies should pay full market value for annual licence fees for Spectrum</u> - this increases the amount of money Vodafone have to pay for Spectrum, increasing costs. <ul style="list-style-type: none"> <li>○ Less finance available for further investment to keep improving services/access for customers.</li> </ul> </li> <li>• Paying annual fees of £50m for spectrum will increase fixed costs for Vodafone.</li> </ul>	4	<p>Candidates' responses should be based on the information from the case study.</p> <p>Award 1 mark for each valid point.</p> <p>Award 1 mark for a development point.</p> <p>Maximum 2 for general marks not related to Vodafone.</p> <p>Accept any other suitable response.</p>

Question	Expected answer(s)	Max mark	Additional guidance
4.	<p>Responses could include:</p> <ul style="list-style-type: none"> <li>• <u>Become the best employer of women in the world by 2025</u> by giving women good conditions – which will make it a great place to work for women. <ul style="list-style-type: none"> <li>○ This will ensure job satisfaction and improve loyalty to the company.</li> </ul> </li> <li>• <u>Being a ‘beacon employer’ for women</u> – providing a benchmark for other organisations to follow – which will make their workplaces a good place to work for women in Vodafone’s local communities.</li> <li>• <u>Providing a range of mentoring, training and peer support programmes for women</u> – allows women to gain skills to get promotion. <ul style="list-style-type: none"> <li>○ Leading to greater pay and economic success.</li> </ul> </li> <li>• <u>Enabling flexible working and home working</u> – allows women to have a family and still go out to work ensuring a better quality of life.</li> <li>• <u>If 50 million women own mobile phones</u> – then Vodafone’s suppliers will gain greater revenues by providing parts.</li> <li>• <u>Enhance industry revenues by around \$170 billion</u> – allow mobile providers to pay a higher dividend to shareholders – which will mean they keep investing in the business.</li> <li>• <u>Pre- and post-natal support in Turkey</u> – will help women take care of themselves during and after pregnancy. <ul style="list-style-type: none"> <li>○ <u>Will reduce number of new born infant deaths</u> – reduce suffering of families in Turkey.</li> </ul> </li> <li>• Business Women Connect in Tanzania will allow women to take control of their finances – leading to greater independence. <ul style="list-style-type: none"> <li>○ Access to banking - can lead to being able to save or pay for children’s education.</li> <li>○ Access to banking - can give access to a loan to start up a business.</li> <li>○ <u>Re-invest in their businesses</u> - will allow them to develop and grow their businesses and gain more income.</li> <li>○ Multiplier effect on whole economy.</li> </ul> </li> <li>• <u>#Selfies4School campaign in 2014-15</u> gives access for a lot of girls to education – which gives them a better future and access to better jobs.</li> <li>• <u>Vodafone India’s employees and customers raised £163,000</u> – Indian customers and employees see the benefit in their own country.</li> <li>• <u>Helping victims of domestic abuse with TecSOS</u> – will improve the lives of many women as they can get help quickly. <ul style="list-style-type: none"> <li>○ Could reduce the amount of domestic abuse.</li> </ul> </li> </ul>	8	<p>Candidates’ responses should be based on the information from the case study.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Award <b>1 mark</b> for a development point.</p> <p>Maximum <b>4</b> for general marks around CSR not linked to specific initiatives.</p> <p>Accept any other suitable response.</p>

Question	Expected answer(s)	Max mark	Additional guidance
5.	<p>Responses could include:</p> <ul style="list-style-type: none"> <li>• Revenue has decreased from £44,445m in 2013 to £40,973m – which suggests that customers are paying less for their phones/packages. <ul style="list-style-type: none"> <li>○ Due to new regulation limiting charges.</li> </ul> </li> <li>• Operating profit has gone up from making a loss of £2,202m in 2013 to a profit of £1,377m in 2016 – which suggests Vodafone is cutting costs.</li> <li>• Dividend per share has increased from 10.19p in 2013 to 11.45p in 2016 – which is because Vodafone is making a profit to share between shareholders.</li> <li>• Capital expenditure has increased from £6.3bn in 2013 to £8.6bn in 2016 – suggesting that Vodafone is investing more finance into the organisation.</li> <li>• The number of mobile customers has increased from 404m in 2013 to 462m in 2016 – which could be due to Vodafone increasing the amount of advertising it does.</li> <li>• The average number of employees has increased from 91,272 in 2013 to 107,669 in 2016 – which could be because the company is growing.</li> <li>• Employee turnover rates have increased from 16% in 2013 to 19% in 2016 – which may mean employees are less happy and so are leaving.</li> <li>• The consumer mobile net promoter score has increased – which shows that customers are growing happier with the service they are being provided.</li> <li>• Being recognised as the Best Contact Centre for 3 years in a row – suggests that customers are happy with the customer service they are receiving over the phone.</li> <li>• In 2015 Vodafone won the UK APMP People Development Award – showing their training programme is successful.</li> <li>• Percentage of woman in management has increased – which could be due to Vodafone aiming to be best employer of women.</li> </ul>	6	<p>Candidates' responses should be based on the information from the case study.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Award <b>1 mark</b> for a development point.</p> <p>Accept any other suitable response.</p>

Question	Expected answer(s)	Max mark	Additional guidance
6.	<p>Responses could include:</p> <ul style="list-style-type: none"> <li>• <u>Spending £7.7bn on spectrum allows Vodafone to have 300,000 base station sites</u> which increase access for customers to a signal.</li> <li>• Having <u>mobile base station sites across 26 countries</u> allows customers to use their mobiles in many countries when travelling.</li> <li>• Having <u>highspeed data transmission</u> means customers don't have to wait long to access information from the Internet.</li> <li>• <u>72 million homes reached with high speed broadband</u> allows lots of people choice over which Internet provider to choose.</li> <li>• <u>Vodafone builds its own fixed line infrastructure</u> so it can build it to its own standards. <ul style="list-style-type: none"> <li>○ It can ensure it is of high quality.</li> <li>○ It can choose where to place it to cover all locations.</li> <li>○ It can reduce costs and pass on to customers.</li> </ul> </li> <li>• <u>12 countries have cloud capabilities</u> which means customers don't have to use lots of storage on their mobiles. <ul style="list-style-type: none"> <li>○ Customers can upgrade technology and still have access to their saved files.</li> </ul> </li> <li>• <u>Standardising and simplifying its processes</u> makes life easier and less complicated for customers. <ul style="list-style-type: none"> <li>○ Having one bill instead of several for several services saves customers time setting up direct debit payments and allows them to manage their cash flow better.</li> </ul> </li> <li>• <u>Having 16,000 shops globally</u> allows customers physical/face-to-face access to help.</li> <li>• <u>4G coverage of 87% in European markets</u> means customers can access high speed data in a variety of countries.</li> <li>• <u>41,000 retail customer service staff</u> allow customers to speak to someone face-to-face which improves customer service.</li> <li>• <u>24/7 call centres</u> means customers can speak to someone at any time of the day or night which improves access to help.</li> </ul>	8	<p>Candidates' responses should be based on the information from the case study.</p> <p>Award <b>1 mark</b> for each valid point.</p> <p>Award <b>1 mark</b> for a development point.</p> <p>Accept any other suitable response.</p>

Section 2

Question		Expected answer(s)	Max mark	Additional guidance
7.	(a)	<p>Responses could include:</p> <ul style="list-style-type: none"> <li>• Contingency theory tries to get the best fit between task, people and environment.</li> <li>• A contingency approach states that no single ideal method of management exists.</li> <li>• The best approach will depend on the variables (contingencies) that must be considered.</li> <li>• Each situation and organisation is unique and management must be tailored accordingly to achieve maximum organisational effectiveness.</li> <li>• Organisations cannot exist in isolation.</li> <li>• Organisations must consider all internal and external factors to adapt and survive.</li> <li>• Management must be flexible and adapt to all circumstances.</li> <li>• A contingency approach helps managers to adjust to changes in social and economic circumstances.</li> <li>• The method of management will depend on each individual situation.</li> <li>• Variables can include skill of workers, the task, etc.</li> </ul>	4	<p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for a development point.</p> <p>Maximum <b>2 marks</b> for description of workers, task etc.</p> <p>Accept any other suitable response.</p>

Question	Expected answer(s)	Max mark	Additional guidance
(b)	<p>Responses could include:</p> <ul style="list-style-type: none"> <li>• Contingency theory is relevant today because managers must be flexible and decide what to do in various circumstances in a rapidly changing environment that exists today.</li> <li>• Organisations need to ensure they match suitable managers to relevant areas of work - in informal situations a relationship manager is better suited whereas in a formal situation a task orientated manager is more suited.</li> <li>• Organisational structures can have a direct impact on employee relations making contingency theory highly relevant in modern day business where a flat structure with less supervision enhances employee relations.</li> <li>• Inexperienced or new workers may require a more directed approach however experienced staff can be empowered and a manager must adapt to accommodate this.</li> <li>• Organisation which combine production and service may adopt different approaches in each area as production will be suited to elements of classical management whereas service sector uses a more human relations approach allowing employees to work in teams and be empowered. <ul style="list-style-type: none"> <li>○ For example in a restaurant staff are allowed to use their own initiative when dealing with customers but must comply with strict procedures in other areas eg in the kitchen.</li> </ul> </li> <li>• The increase of global online competition from the rise of e-commerce sales in retailing means organisations need to develop a flexible structure to respond to rapidly changing markets.</li> <li>• Mechanistic structures are still appropriate to firms in slow growing markets with little competition.</li> <li>• Managers must adjust to take account of PESTEC factors and adjust accordingly.</li> <li>• Modern organisations are more likely to use a contingency approach choosing the best mix of ideas about management to suit the situation in which they may find themselves in.</li> <li>• Contingency approach could lead to uncertainty within the workforce if managers are always changing their approach.</li> <li>• Contingency assumes managers can adapt but in reality this may not be possible.</li> </ul>	6	<p>Award 1 mark for each valid point.</p> <p>Award 1 mark for a development point.</p> <p>Accept any other suitable response.</p>

Question		Expected answer(s)	Max mark	Additional guidance
8.	(a)	<p>Responses must refer to an aspect of ASEAN/China and could include:</p> <ul style="list-style-type: none"> <li>• The ASEAN market alone has a potential market of 600 million customers leading to increased sales.</li> <li>• ASEAN consists of 10 countries which organisations can trade freely between and the introduction of the AEC (ASEAN Economic Community) has established ASEAN as a single market.</li> <li>• There is a large number of raw materials available to access in ASEAN countries such as oil, gas, palm oil and rubber which can be exported cheaply.</li> <li>• Increasing brand awareness/global media leads to increased demand for UK goods.</li> <li>• A growing middle class leads to an increase in demand for UK branded goods. <ul style="list-style-type: none"> <li>○ leading to an increase in sales.</li> </ul> </li> <li>• ASEAN has created agreements for trade with Australia, New Zealand, India and Japan which allows access to these markets, tariff free.</li> <li>• UK organisations are keen to take advantage of current market conditions to establish their brand. <ul style="list-style-type: none"> <li>○ Customers in Myanmar are known to be brand loyal.</li> </ul> </li> <li>• Exporting goods to China and ASEAN may not be economic due to vast distance thus setting up in those countries reduces costs.</li> <li>• An increase in peace and stability within ASEAN offers investors more confidence.</li> <li>• Ability to spread the risk eg companies can raise capital in Singapore and set up factories in low-cost locations like Vietnam.</li> <li>• UK firms can take advantage of lower labour costs in Asian countries which increases competitiveness.</li> </ul>	6	<p>Award <b>1 mark</b> for each valid point.</p> <p>Award <b>1 mark</b> for a development point.</p> <p><b>Up to 5 marks</b> may be awarded for any one area.</p> <p>Award a maximum of <b>3 marks</b> for exploring general FDI benefits/features of ASEAN not linked to benefits.</p> <p>Accept any other suitable response.</p>

Question		Expected answer(s)	Max mark	Additional guidance
	(b)	<p>Responses must refer to an aspect of ASEAN/China and could include:</p> <ul style="list-style-type: none"> <li>• Chinese firms are able to export their goods at low cost – so able to flood UK market making it hard for UK firms to compete. <ul style="list-style-type: none"> <li>○ eg Tata Steel at Port Talbot closing due to cheap Chinese steel.</li> </ul> </li> <li>• The low cost operations of ASEAN businesses – may force UK organisations to lower their prices to compete. <ul style="list-style-type: none"> <li>○ Lower profit margins.</li> <li>○ Could lead to closure of unsustainable organisations.</li> </ul> </li> <li>• Increasing dominance – may force UK businesses to adapt their business practices to suit differences such as language eg Mandarin speaker.</li> <li>• Reduced sales - as environmental awareness increases, less consumers want UK businesses to trade with Asia, given the increased carbon footprint of doing so.</li> </ul>	4	<p>Award <b>1 mark</b> for each valid explanation.</p> <p>Award <b>1 mark</b> for a development point.</p> <p>Award a maximum of <b>2 marks</b> for explaining general negative impacts.</p> <p>Accept any other suitable response.</p>

Question	Expected answer(s)	Max mark	Additional guidance
9.	<p>Responses could include:</p> <p>Definition: – e-commerce is the buying and selling of goods online.</p> <p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• Can spend less on employees’ wages as many of the tasks (accepting orders, checking inventory) can be automated. <ul style="list-style-type: none"> <li>○ Which will reduce the number of workers needed.</li> </ul> </li> <li>• Training costs may be increased as employees need to be trained in new ways of working.</li> <li>• Shift workers may have to be employed at unsociable hours as people will be able to buy goods 24/7 and may need employees available at help desks.</li> </ul> <p><b>Finance</b></p> <ul style="list-style-type: none"> <li>• No cash transactions - all electronic funds transfer means that money is immediately received meaning that keeping track of cash flow is more accurate.</li> <li>• Payments for wages/shop rent and other related expenses are reduced as there is no need for a physical outlet for customers to visit.</li> <li>• Investment in a website will increase costs in short term.</li> </ul> <p><b>Operations</b></p> <ul style="list-style-type: none"> <li>• Computerised inventory system should be used which will make the process of inventory control more accurate. <ul style="list-style-type: none"> <li>○ Accept advantages/disadvantages of electronic inventory control (such as automatic ordering when inventory hits the re-order level).</li> </ul> </li> <li>• Goods for sale do not have to be kept on premises (warehouse) as the organisation can be a ‘middle-man’ and order goods from their suppliers once an order has been received from a customer. <ul style="list-style-type: none"> <li>○ This will reduce inventory costs such as warehousing and security costs.</li> </ul> </li> <li>• Options in delivering product to customer may increase, changing logistics.</li> </ul>	10	<p>Candidates are required to discuss at least 2 functional areas to gain full marks.</p> <p>Award <b>1 mark</b> for a definition of e-commerce.</p> <p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Accept any answer that is relevant to other functional areas such as R&amp;D or Administration.</p> <p>Accept any other suitable response.</p>

Question		Expected answer(s)	Max mark	Additional guidance
		<p><b>Marketing</b></p> <ul style="list-style-type: none"> <li>• Having a website to buy goods through can be used to advertise and promote their company/products which is cheaper than traditional TV, Radio, Magazine advertising.</li> <li>• Details of customer's preferences/spending patterns ('other people who bought this ...') can be used to segment customers and save money by targeting customers with specific deals. <ul style="list-style-type: none"> <li>○ Customers can be regularly contacted to promote further deals.</li> </ul> </li> <li>• Marketing department may have to change the way they communicate with customers. <ul style="list-style-type: none"> <li>○ Less face-to-face communications and more electronic vouchers.</li> </ul> </li> </ul>		

Question		Expected answer(s)	Max mark	Additional guidance
10.	(a)	<p>Responses could include:</p> <ul style="list-style-type: none"> <li>• Created by Henri Gantt for project management.</li> <li>• X axis plots time and events are shown in blocks.</li> <li>• A today line is used to track progress.</li> <li>• Key events are called milestone points.</li> </ul> <p><b>USES</b></p> <ul style="list-style-type: none"> <li>• Compares estimated vs actual work to allow a manager to better budget in the future.</li> <li>• Multiple events can be blocked on the one chart to allow the manager to see any overlap.</li> <li>• Allows efficiency as more than one activity can occur at the same time.</li> <li>• Using the today line progress can be checked to ensure deadlines are met and the project is on schedule.</li> <li>• Useful in teams as it can be displayed visually for all to see which minimises confusion.</li> <li>• Tasks that need to be done first are clear to see so scheduling of tasks is easier.</li> <li>• Progress can be seen so motivates managers.</li> <li>• Potential delays can be seen so more resources can be employed.</li> </ul>	4	<p>Award <b>1 mark</b> for each valid evaluating point.</p> <p>Award <b>1 mark</b> for a development point.</p> <p>Up to <b>2 marks</b> may be awarded for general descriptions of a Gantt chart.</p> <p>Accept any other suitable response.</p>

Question	Expected answer(s)	Max mark	Additional guidance
(b)	<p>Responses could include:</p> <p><b>Implementer</b> - <i>eager to get results and focused on action.</i></p> <ul style="list-style-type: none"> <li>• Turns decisions and strategies into defined and manageable tasks, sorting out objectives and pursuing them logically. <ul style="list-style-type: none"> <li>○ May be inflexible and difficult to manage which can hinder the team’s progress.</li> </ul> </li> </ul> <p><b>Co-ordinator</b> - <i>the social leader of the group who ensures individuals contribute.</i></p> <ul style="list-style-type: none"> <li>• Ideal Chairperson as they can get others working towards a shared aim. <ul style="list-style-type: none"> <li>○ Clarifies objectives, sets the agenda, establishes priorities and plans to ensure tasks are on schedule.</li> </ul> </li> </ul> <p><b>Complete finisher</b> - <i>prioritises completion and concentrates on finishing the task.</i></p> <ul style="list-style-type: none"> <li>• Has high attention to detail which improves the quality of the job. <ul style="list-style-type: none"> <li>○ Achieves high productivity as they maintain a permanent sense of urgency.</li> </ul> </li> </ul> <p><b>Resource investigator</b> - <i>strong communicator, networker, researcher who gathers information useful to the team.</i></p> <ul style="list-style-type: none"> <li>• Can bring in new ideas to gain a competitive edge. <ul style="list-style-type: none"> <li>○ Sources new opportunities/contracts which can bring in more business.</li> </ul> </li> </ul> <p><b>Team worker</b> - <i>a supportive, sociable, flexible, calming mediator in the team.</i></p> <ul style="list-style-type: none"> <li>• Operates against division and disruption which can reduce stress levels.</li> </ul> <p><b>Plant</b> - <i>innovator of the group who contributes creative solutions and ideas.</i></p> <ul style="list-style-type: none"> <li>• Without ideas the group cannot come up with the best solution.</li> </ul> <p><b>Shaper</b> - <i>a good leader in the team as they are a motivated and achievement-driven member who compels others to move forward.</i></p> <ul style="list-style-type: none"> <li>• Highly competitive, ambitious and assertive who will challenge inertia, ineffectiveness and complacency, reducing slacking/laziness. <ul style="list-style-type: none"> <li>○ May make decisions, sometimes at the expense of others.</li> </ul> </li> </ul> <p><b>Monitor/evaluator</b> - <i>good assessor who contributes measured and dispassionate analysis.</i></p> <ul style="list-style-type: none"> <li>• Which stops the team committing itself to misguided tasks.</li> </ul> <p><b>Specialist</b> - <i>technical expert.</i></p> <ul style="list-style-type: none"> <li>• Who provides essential knowledge.</li> </ul>	6	<p>Award 1 mark for each valid discussion point.</p> <p>Award 1 mark for a development point.</p> <p>Up to 3 marks may be awarded for descriptions of Belbin’s roles.</p> <p>Accept any other suitable response.</p>

[END OF MARKING INSTRUCTIONS]