



A-level
BUSINESS
7132/2

Paper 2 Business 2

Mark scheme

June 2023

Version: 1.0 Final



2 3 6 A 7 1 3 2 / 2 / M S

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Marking guidance

- Be clear on the focus of the question.
- Read the response as a whole; follow the flow of the argument as a whole.
- Remember that the indicative content provides possible lines of argument but there may be others that are equally valid. Be willing to credit other lines of argument.
- Annotate the script as you read in accordance with the instructions given at standardisation.
- Consider what it all adds up to, eg is this a good response? A reasonable one? A limited one? Refer back to the standardisation scripts and guidance to help you benchmark. You are marking to the standard agreed at standardisation.
- Summarise your findings briefly at the end of the response. This will help you decide on the overall level and is helpful for others to understand the mark given, eg for an extended response ‘well-argued’ but does not focus fully on the issue of ‘long-term’ feels as if it might be good rather than excellent.
- Make sure the comments fit with the level awarded: ‘unbalanced and not comparing with alternative solutions’ does not sound as if it is ‘good’.
- Next to your comment put the level awarded, eg L4.
- If in doubt about an approach contact your Team Leader, do not make up your own rules because we must have a standardised approach across all marking. Be positive in your marking. Look to reward what is there.

Annotations Key

K U	Knowledge and Understanding
DEV	Some development of point
AN	Analytical but lacks context
CON	Context
ARG	Argument made
DP	Developed pint with context an Analysis
J	Judgement with support / Evaluation
NFF	Not Fully Focussed on the demands of the question
Bal	Balanced response eg both sides acknowledged
Rng	Range of arguments eg two arguments presented
BD	Benefit of the Doubt
NAQ	Not answering the question
OF	Own Figure
V	Vague
REP	Repetition
<input checked="" type="checkbox"/>	TICK
<input type="checkbox"/>	CROSS
<input type="checkbox"/>	Txt Box
?	Unclear
Highlighter	Highlighter
Underline	Underline

The following should be used at the end of the response.

L1	Level 1
L2	Level 2
L3	Level 3
L4	Level 4

0	1	.	1	Calculate the Net Present Value for AJS plc’s proposed investment.	[4 marks]
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Marks for this question: AO1 = 1, AO2 = 3

Year	Annual net cash flow £000s	Discount factor	Net present value £000s
0	(500)	1.00	(500)
1	(50)	0.91	(45.5)
2	250	0.83	207.5
3	600	0.75	450
Net present value			112

Answer: £112 000 **(4 marks)**

Most elements of process correct, but one error, eg on addition **(3 marks)** (note apply OFR)
 Some understanding of NPV demonstrated by partial calculation, eg applying the discount factors **(2 marks)**
 Some understanding of NPV, eg through definition **(1 mark)**

0	1	2	Using Appendix E , calculate the Return on Capital Employed for AJS plc in 2022.
			[4 marks]

Marks for this question: AO1 = 1, AO2 = 3

Workings

Gearing is 22%
 Non-current liabilities £4m
 Operating profit £3m

$$\text{Gearing} = 100 \times \left(\frac{\text{Non-current liabilities}}{\text{Capital employed}} \right)$$

$$22\% = 100 \times \left(\frac{\text{£4m}}{\text{Capital employed}} \right)$$

$$\text{Capital employed} = \frac{(100 \times 4\text{m})}{22}$$

$$\text{Capital employed} = \frac{400\text{m}}{22}$$

Capital employed = £18.182m

$$\text{Return on capital employed} = 100 \times \left(\frac{\text{Operating profit}}{\text{Capital employed}} \right)$$

$$\text{Return on capital employed} = 100 \times \left(\frac{\text{£3m}}{\text{£18.182}} \right)$$

Return on capital employed = 16.5%

4 marks for correct answer **16.5%**

3 marks for calculation with one error apply OFR as appropriate

2 marks for partial calculation showing some understanding, eg of ROCE or Gearing

1 mark for correct definition of ROCE with no valid calculation

0	1	3	Analyse why AJS plc has decided to become more capital intensive.	[9 marks]
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate:	Marks
3	<p>A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context. 	7–9
2	<p>A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed and is applied to the context. 	4–6
1	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context. 	1–3

The demands of the question are:

- show understanding of capital intensity
- analyse potential reasons for becoming more capital intensive
- in the context of the situation faced by AJS plc. For example, selectively using the data.

Indicative content:

- capital intensive production involves using a greater proportion of capital/machinery in operations as opposed to the use of labour
- HR data shows the salary costs as a percentage of revenue is higher at AJS plc than the industry average
- labour turnover was 15% at AJS plc significantly higher than the industry average of 4%
- industrial relations seem to be problematic with 25 days lost through industrial action, 5 times more than the industrial average
- AJS plc have fewer applicants for any given vacancy – possibly indicating that vacancies are difficult to fill.

Each of these points may be the basis of arguments about problems in HR at AJS plc – these may be analysed further as a basis for an explanation as to the investment in making the factory more capital intensive and therefore less reliant on labour in the factory.

Allow other relevant arguments.

0	1	4	With reference to the data provided would you advise a potential investor to buy shares in AJS plc? Justify your view.	[16 marks]
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4, AO4 = 7

Level	The student will typically demonstrate:	Marks
4	<p>An excellent response overall that is fully focused on the key demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a depth and range of knowledge and understanding that is precise and well-selected in relation to issues in the question • demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout. 	13–16
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well-developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole throughout. 	9–12
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole. 	5–8
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole. 	1–4

The demands of the question are:

- to show an understanding of the issues a potential investor may consider
- to consider the arguments that AJS plc is a reasonable investment, based on the data
- to consider the arguments showing AJS is not a reasonable investment, based on the data
- on the balance of arguments to make a judgement about whether to advise to invest or not.

Indicative content:

Possible points suggesting that the investor should not buy shares in AJS plc:

- AJS plc is in a declining market – trend clear for non-recyclable packaging in **Appendix B**, is this the part of the market to invest in?
- the non-recyclable market is much larger than the recyclable – possibly offsetting the trend for the niche to be rising
- share price in the business has fallen in 2022, whilst top 100 rose – is this indicative of some issues with the business
- HR data shows issues in the business – this could make for future bad publicity or continued issues – possibly making investment less attractive
- AJS plc is not in the recyclable market, this market is growing at an accelerating rate (though from a low base).

Possible points suggesting the investor should buy shares in AJS plc:

- finance – much of the financial data is positive – **Appendix E** – points could be readily supported with selection from this data or applying some analysis of ratios, eg liquidity is favourable; ROCE from Q1.2 could also be interpreted (OFR)
- low Gearing does not make AJS plc vulnerable to interest rate rises
- share price fell last year – does this mean there is potential for it to rise back again in the future?
- the proposed investment (by AJS) shows ambition for the future, which is positive. This investment is predicted to yield a positive return (NPV figure) – although this is based on operations manager's own data (OFR).

Overall, evaluation will flow from the balance of the analysis of the data. The advice will however depend on:

- an overall judgement on the position of the business on the decision
- the scale of the proposed shareholders' investment – how risky is it for the investor, ie can they afford to lose the investment?
- any plans for AJS plc in the future that may not be reflected in the data
- some of the data is reflecting back, eg HR and finance, does this reflect the current position and might it change in the future?
- how reliable is the data in key areas, eg the market information and the investment appraisal?
- the future will also partly depend on external factors.

Allow other relevant arguments.

0	2	1	Of people in employment, 36% worked at least partly from home in 2020.
			Using Table 1 , calculate the percentage change in the number of people working at least partly from home between 2019 and 2020.
			[3 marks]

Marks for this question: AO1 = 1, AO2 = 2

	2019	2020
Number of people in employment (millions)	32.6	32.5
Number of people working at least partly from home (millions)	8.7	11.7

Workings:

36% of 32.5m = 11.7m (calculating the missing figure in the table)

Change is 11.7m – 8.7m = 3m

% change = $\left(\frac{3\text{m}}{8.7\text{m}}\right) \times 100 = 34.48\%$ increase

3 marks for the correct answer **34.48%** or **34.5%**

2 marks for partial understanding, eg one error (apply OFR)

1 mark for some understanding, eg of percentage change calculation; selecting data

0	2	2	Analyse one way the balance sheet of a business (its statement of financial position) might be affected if more of its employees work from home.
			[6 marks]

Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2

Level	The student will typically demonstrate:	Marks
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a good knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context. 	5–6
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a reasonable knowledge and understanding of issues in the question • demonstrates analysis which is developed and is applied to the context. 	3–4
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context. 	1–2

The demands of the question are:

- to demonstrate an understanding of the content of the balance sheet
- to analyse a potential change to a balance sheet for a business adopting more homeworking.

Indicative content:

- some businesses have reduced the amount of office space owned – reducing non-current assets (if owned)
- if funded through debt, eg a mortgage, the reduction of office space owned will reduce non-current liabilities
- if sold there may be a one-off injection of funds – increasing current assets
- if previously rented there may now be a reduction in current liabilities at any given time
- heating lighting etc will be lower, possibly reducing current liabilities at any given time
- some businesses may face the need to invest in more assets, eg extra IT to facilitate homeworking. Possibly increasing non-current (fixed) assets if owned or current liabilities if leased or thus reducing current assets (cash) or increasing long-term liabilities if loans are used. This is a valid argument though not directly mentioned in case.

Allow other relevant arguments.

0	2	3	<p>The role of a manager has different elements.</p> <p>Analyse the impact of the increase in homeworking by office staff on the way that their managers fulfil their role.</p> <p style="text-align: right;">[9 marks]</p>
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate:	Marks
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context. 	7–9
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed and is applied to the context. 	4–6
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context. 	1–3

The demands of the question are:

- to show understanding of the role of managers
- to analyse how more homeworking may affect way in which managers fulfil their role
- to apply this to the context of office work.

Indicative content:

- the role of a manager includes: setting objectives, organising, motivating, communicating, measuring performance and developing employees. Homeworking may create a distance between the manager and the employees. The role of manager in principle will stay the same, but the methods employed to fulfil the roles may change
- organising – managers may find some aspects of organising staff to potentially be more difficult if staff are away from the office, eg loss of face-to-face contact and building relationships. Organising may be illustrated with examples such as covering for sickness absence, rotas, holidays
- motivating – the office environment could be a strong motivator of staff, eg social aspects. The manager may now need to find ways to replicate this and motivate staff in other ways, eg quizzes over Zoom
- communicating – traditionally face-to-face contact may be seen as vital in communicating both formally and informally. Software changes the processes and methods of communication, these will not be the same

- measuring performance (monitoring) – there are methods to use technology to monitor activity of staff and measure performance even remotely, but such methods will be very different from those traditionally used. So, managers may have to learn skills
- developing employees, face-to-face relationships may help staff development, eg in identifying who to offer training opportunities to, homeworking may mean this needs to be a process.

Expect there to be a clear link between points made and specific roles and/or the impact on how the manager then fulfils their role.

Allow other relevant arguments.

0	2	4	Would increased homeworking improve the performance of businesses that use Elkington's Triple Bottom line to measure their success? Justify your view.	[16 marks]
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4, AO4 = 7

Level	The student will typically demonstrate:	Marks
4	<p>An excellent response overall that is fully focused on the key demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a depth and range of knowledge and understanding that is precise and well-selected in relation to issues in the question • demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout. 	13–16
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well-developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole throughout. 	9–12
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole. 	5–8
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole. 	1–4

The demands of the question are:

- to demonstrate understanding of Elkington's Triple Bottom Line (TBL)
- analyse how increased homeworking may or may not improve the performance
- to judge whether homeworking improves performance in relation to TBL
- for any business that uses TBL.

Indicative content:

Elkington's Triple Bottom Line refers to performance related to Profit; People and Planet.

Profit:

- homeworking may improve performance related to profit, eg as some costs may be saved; staff may be more productive some of the hours saved commuting may be used working
- homeworking may see increased costs, eg investments in IT and training; productivity may fall if staff are monitored less possibly increasing unit costs. Customer service could decline impacting on sales.

People:

- some staff may find the flexibility of homeworking to be beneficial in terms of motivation and in terms of work-life balance. Both could help staff retention and be an indicator of positive performance for a business
- some staff may be better motivated by working with colleagues and value the distinction between home and work. This could diminish motivation rates and staff turnover and be a negative indicator of performance.

Planet:

- homeworking seems to have positive impacts on environmental issues, eg numbers commuting and related pollution. Running fewer offices could also reduce a business' carbon footprint. It could be important in judging a business' success against environmental targets
- will the carbon footprint of the firm be moved to that of their employees at home?

Overall

Some of the measures may improve whilst others may worsen. It will depend on:

- which of the three measures the business sees as most important
- the sector/type of business
- the extent of homeworking – will blended/hybrid patterns change the performance?

Allow other relevant arguments.

0	3	1	Explain why APO's survey findings may not represent the views of UK consumers.	[4 marks]
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Marks for this question: AO1 = 2, AO2 = 2

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: <ul style="list-style-type: none"> • Explains one limitation to APO using sampling. 	4
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: <ul style="list-style-type: none"> • Explains one limitation of sampling possibly with some context. 	3–2
1	A limited response overall that focuses on a few demands of the question. Provides an answer to the question set that: <ul style="list-style-type: none"> • Some understanding of the limitations of sampling. 	1

The demands of the question are:

- explain the link between the process used in researching and how it might not represent views of the population studied (UK population)
- specifically in the context of APO's survey.

Indicative content:

- sampling involves choosing a proportion of a population from which to elicit information from which to draw conclusions about the whole population. APO has only surveyed 100 of its 400 members
- the size of the sample will limit the accuracy and relevance of the results, this survey was a small sample of 100. The UK population is much larger so the data is unlikely to represent the overall views of UK consumers
- the sample could be biased, in this case it was 100 members of a small campaign group (only 400 members) – will these be representative of the views of wider UK consumers?

0	3	2	Explain how stakeholder mapping would help Simply Bake plc decide how it responds to criticism from APO.	[4 marks]
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Marks for this question: AO1 = 2, AO2 = 2

Level	The student will typically demonstrate:	Marks
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> Explains how stakeholder mapping will help with decisions in this case. 	4
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> Some explanation of how stakeholder mapping will help decisions, possibly with some application to the case. 	3–2
1	<p>A limited response overall that focuses on a few demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> Some understanding of stakeholder mapping. 	1

The demands of the question are:

- demonstrate an understanding of stakeholder mapping
- showing how this can help decisions balancing the interest and power of a stakeholder group
- in the context of criticism from APO.

Indicative content:

- stakeholder mapping is a technique to evaluate the influence and relative importance of different groups based on their power and interest
- the campaign group will have little direct power. APO is a small campaign group
- the campaign group has high interest in the wider issue, but not necessarily directly on Simply Bake – so low interest from Simply Bake.
- low power and low interest would suggest the business should ‘monitor’ APO.
- low power and high interest would suggest the business should ‘keep informed’.

Allow other relevant answers.

0	3	3	Simply Bake plc decided to remove palm oil from its products. With reference to Lewin’s force field analysis, analyse why this decision was made. [9 marks]
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate:	Marks
3	<p>A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context. 	7–9
2	<p>A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed and is applied to the context. 	4–6
1	<p>A limited response overall with little focus on the demands of the question. Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context. 	1–3

The demands of the question are:

- demonstrate understanding of Lewin’s force field analysis – driving forces and resistance forces
- analyse how by 2020 the driving forces must have exceeded the resistance forces
- apply the concept to the information in the case.

Indicative content:

A decision to change is made at the point where driving forces for change exceed the forces resisting the change, consequently this must be the case at the point of the decision.

The case refers to a number of driving forces and resistance forces, the driving forces include:

- growing dissatisfaction among consumers noticed by supermarkets
- Simply Bake faces pressure from its customers – supermarkets, and these are powerful forces in markets
- pressure from campaign groups, eg through the media
- more awareness of effects of deforestation.

Resistance forces include:

- costs of production – palm oil has been seen as a cheap ingredient
- (previous) consumer demand for cheap food – this may not have gone away

Allow other relevant arguments.

0	3	4	'Businesses will never act in a socially responsible way unless they are forced to do so by governments.' To what extent is this true for all businesses?	[16 marks]
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4, AO4 = 7

Level	The student will typically demonstrate:	Marks
4	<p>An excellent response overall that is fully focused on the key demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a depth and range of knowledge and understanding that is precise and well-selected in relation to issues in the question • demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout. 	13–16
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well-developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole throughout. 	9–12
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole. 	5–8
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole. 	1–4

The demands of the question are:

- to discuss the possible motives of business Corporate Social Responsibility
- to analyse the case for and against the statement
- to make a supported judgement as to whether governments will be needed if CSR is to be enacted
- the context is 'businesses' in general.

Indicative content:

- opportunities for use of selected theories to support analysis, eg Carroll
- the role of government is to set a framework of minimum standards to which all must adhere
- some argue that so long as this minimum is adhered to then businesses have done enough (the shareholder view of CSR)
- others argue that businesses have an inherent wider responsibility to society (the stakeholder view)
- there is a potential for government action – sometimes this is enough to cause some change – many businesses would prefer to avoid the constraint of government compelling actions
- there is often a balancing act between short-term profit and the (perceived) threat to profits from acting responsibly.

It is valid for arguments to be supported with examples from the case and wider.

Overall

- It is likely to depend on the business, its target market, the ownership, culture, mission statement etc.
- If consumer demand moves to favour firms with strong CSR/ethics, then government action may not be needed as the profit motive will be aligned with CSR.
- It is likely that for all businesses in all sectors to act in this manner some government intervention might be needed.

Allow other relevant arguments.