

**Business Studies**

Advanced GCE

Unit **F293**: Marketing

**Mark Scheme for June 2012**

---

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, OCR Nationals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

OCR will not enter into any discussion or correspondence in connection with this mark scheme.

© OCR 2012

Any enquiries about publications should be addressed to:

OCR Publications  
PO Box 5050  
Annesley  
NOTTINGHAM  
NG15 0DL

Telephone: 0870 770 6622  
Facsimile: 01223 552610  
E-mail: [publications@ocr.org.uk](mailto:publications@ocr.org.uk)

## Annotations

Annotation	Meaning
	Unclear
	Benefit of doubt
	Cross
	Level 1
	Level 2
	Level 3
	Level 4
	Not answered question
	No use of text
	Own figure rule
	Repetition
	Noted but no credit given
	Too vague
	Tick

**Subject-specific Marking Instructions**

Highlighting is also available to highlight any particular points on the script.

Please ensure that, wherever possible, annotations are placed in the margins and not over the candidate's answer. This makes it very difficult to read when the paper is printed out in black & white.

**[Only the calculative question(s) should be annotated with ticks to show where marks have been awarded in the body of the text]**

**IT IS VITAL THAT YOU SHOW AS MUCH ANNOTATION ON EACH PAGE AS POSSIBLE. IN PARTICULAR, WHERE LEVELS ARE REACHED.**

**EVERY PAGE, INCLUDING BLANK PAGES (use the SEEN annotation), MUST HAVE SOME ANNOTATION**

Question	Answer	Marks	Guidance
1	<p><i>Relevant calculations include contributions from Table 1</i></p> <p><i>Period 1: Contribution = £750 - £350 = £400 x 42 = £16800 {1 or 2}</i></p> <p><i>Period 2: Contribution = £500 - £300 = £200 x 90 = £18000 {1 or 2}</i></p> <p><i>Max {3} for calculation + £1200 {1} for logical answer from the data</i></p> <p><i>Alternative approach: Revenue of £750 x 42 = £31500 compared to revenue of £500 x 90 = £45000 {2} {1} for logical answer from the data.</i></p>	4	<p>Up to 4 marks. Be positive if using the mark by mark approach.</p> <p>4 marks for correct answer only.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
2		<p><i>Other factors affecting price include:</i></p> <ul style="list-style-type: none"> <li>• <i>competition</i></li> <li>• <i>product quality</i></li> <li>• <i>price elasticity</i></li> <li>• <i>complementary goods (same product range?)</i></li> <li>• <i>pricing strategy required, etc.</i></li> </ul> <p>References to costs should not be allowed (given in Table 1), and specifically excluded from question</p>	6	<p>Candidates are able to demonstrate the cause, effect and knock on effect of different factors that may have an affect on the setting of the price of products with contextualisation to MSL for Level 3 marks.</p> <p><b>Two</b> factors required for this question</p> <p><b>2 factors analysed = 6 marks</b>  <b>1 factor analysed = 5 marks</b></p> <p><b>2 factors explained = 4 marks</b>  <b>1 factor explained = 3 marks</b></p> <p><b>2 factors stated = 2 marks</b>  <b>1 factor stated = 1 mark</b></p>	<p><b>Level 3 (5–6 marks)</b>  Candidate demonstrates analytical skills when considering factor(s) which MSL should consider when setting prices.</p> <p><b>Level 2 (3–4 marks)</b>  Candidate explains pricing factor(s) which MSL might take into account.  <b>No context required</b></p> <p><b>Level 1 (1–2 marks)</b>  Candidate offers theoretical knowledge only.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
3		<p><i>All may well have to consider the relationship with the agent in Prague very carefully.</i></p> <p><i>The factors may well include:</i></p> <ul style="list-style-type: none"> <li>• <i>the possible demand for the products;</i></li> <li>• <i>competition;</i></li> <li>• <i>the extent of currency problems;</i></li> <li>• <i>promotion difficulties (language, etc.); transport and wider distribution issues.</i></li> </ul> <p><i>Demand is a key issue and discussion should focus on the means of identifying this demand. Aspects of market research may be important – secondary consideration of competition may be mentioned.</i></p>	13	<p><i>To reach L4, it is important to prioritise the factors related to MSL. It has experience of working abroad; should if look to expand in countries it knows (France and Spain)?</i></p> <p>Candidate may also be rewarded for included up to date knowledge of the differing economic factors affecting Europe in terms of the pressures on currency; spending and unemployment. Appropriate use of such knowledge in the response to this question is likely to be judged at a Level 4 response.</p>	<p><b>Level 4 (9–13 marks)</b> Candidate demonstrates evaluative skills when considering the factor(s) which need to be considered before MSL further develops markets in Europe.</p> <p><b>Level 3 (6–8 marks)</b> Candidate demonstrates analytical skills when considering factor(s) which need to be considered before MSL further develops markets in Europe.</p> <p><b>Level 2 (3–5 marks)</b> Candidate demonstrates knowledge and understanding of factor(s) related to developing markets in Europe. <b>No context required</b></p> <p><b>Level 1 (1–2 marks)</b> No context required candidate offers theoretical knowledge marketing of international.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
4		<p>It is unlikely that Bex will be able to collect the information which MSL requires from all consumers.</p> <p>Such an approach would be very expensive and time consuming. Candidates need to consider what sampling error is, ie the extent to which a particular sample is representative of the population from which it is drawn.</p> <p>Sampling error needs to be reduced because of the very important decisions which can follow market research.</p> <p>The determination of the 'population' is crucial.</p> <p>A reduction in sampling error would reduce the likelihood of bias in the data collected and the possibility of wasted expenditure.</p>	6	<p>It is the candidate's ability to contextualise their points in this response that should determine a Level 3 answer where very often a balancing answer of the need to reduce the sampling error and the cost and time implications is a key issue.</p>	<p><b>Level 3 (5–6 marks)</b> Candidate demonstrates analytical skills when considering a reason for the need to reduce sampling error in the market research carried out by MSL.</p> <p><b>Level 2 (3–4 marks)</b> Candidate demonstrates knowledge and understanding of the need to reduce sampling error in the market research. <b>No context required</b></p> <p><b>Level 1 (1–2 marks)</b> Candidate offers only theoretical knowledge.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
5		<p>This may include elements of</p> <ul style="list-style-type: none"> <li>• the sampling processes,</li> <li>• costs,</li> <li>• who to ask,</li> <li>• how to ask,</li> <li>• and what to ask.</li> </ul> <p>Bex has carried out market research before – what else does she need?</p> <p>The use of pilot questionnaires, questionnaire design, and type of survey may well be considered.</p> <p>Relating the ideas to the business in the form of a clear plan will score well.</p> <p>Candidates are likely to consider the cost/benefit of methods; relevance to the market being researched and the objectives of MSL; the context of the direct selling element or the bias that MSL may build into any research undertaken.</p>	13	<p>Candidates may suggest a variety of elements that may be included in the Market Research plan however, it is the justification of why those methods are or may be appropriate to the needs of MSL that will allow the candidate answer to be judged at Level 4.</p>	<p><b>Level 4 (9–13 marks)</b> Candidate demonstrates evaluative skills when formulating an appropriate market research plan which Bex might use to gain the information required.</p> <p><b>Level 3 (6–8 marks)</b> Candidate demonstrates analytical skills when formulating an appropriate market research plan which Bex might use to gain the information required.</p> <p><b>Level 2 (3–5 marks)</b> Candidate is able to apply relevant suggestions to knowledge of market research activities. <b>No context required.</b></p> <p><b>Level 1 (1–2 marks)</b> Candidate offers relevant theoretical knowledge only.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
6*		<p>Candidates should bear in mind that the changes would have a wide-ranging impact on the business as a whole. Better answers should reflect on the impact on other functional areas within the firm:</p> <ul style="list-style-type: none"> <li>• Finance: can the firm afford to expand in this way (changing the distribution chain? etc.)</li> <li>• People: staff skills? Widen the customer base? Need for more staff? Training</li> <li>• Operations: maintaining quality?</li> <li>• Research of product range? need for specialist product knowledge.</li> </ul> <p>Also, there is a need to consider the wider market.</p> <p>Some discussion of the changes and how they might impact on different issues would be credited.</p> <p>Better responses may refer to Ansoff's Matrix (<b>not</b> required) and the issues related to product/market development.</p> <p>The evaluation of the actual decision should draw on the other functional areas and may take into account issues such as:</p> <ul style="list-style-type: none"> <li>• Risk</li> <li>• Niche Focus</li> <li>• Competition</li> </ul>	18	<p><b>NB. An answer which only includes or does not include marketing issues should only be awarded the lowest mark in the appropriate level.</b></p> <p><b>A one-sided answer cannot achieve a L4.</b></p> <p>Candidates will be expected demonstrate the ability to present a two sided argument in that on the one hand, based on knowledge and the context of the furniture industry and a European expansion. A new venture such as this may be considered of significant risk which needs to be balanced against their confidence in their market analysis.</p> <p>Candidate will be expected to consider the wider implications of the venture and the likely impact on staffing and skills requirements, short term and long term financing of the venture and the production issues involved in the production a new product line and target market segment.</p>	<p><b>Level 4 (13–18 marks)</b> Candidate demonstrates evaluative skills and the strategic implications when considering whether MSL should enter the limited mobility furniture. Complex ideas have been expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs, consistently relevant, have been well structured, using appropriate technical terminology. There have been few, if any, errors of spelling punctuation and grammar.</p> <p><b>Level 3 (7–12 marks)</b> Candidate demonstrates analytical skills when considering whether MSL should enter the limited mobility furniture market. Relatively straightforward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar, but these are unlikely to be intrusive or obscure meaning.</p>

Question			Answer	Marks	Guidance	
					Content	Levels of response
			<ul style="list-style-type: none"> <li>• <i>Mass producing Competition</i></li> <li>• <i>Increased manufacturing and process costs</i></li> <li>• <i>Set up and increased distribution costs</i></li> <li>• <i>The need to understand some of the new social markets for mobility products</i></li> <li>• <i>The balancing of functionality with aesthetics and quality in this proposed new market</i></li> </ul>			<p><b>Level 2 (3–6 marks)</b> Candidate demonstrates knowledge and understanding of the factors affecting the decision to enter the limited mobility furniture market. Some simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive.</p> <p><b>No Context required</b></p> <p><b>Level 1 (1–2 marks)</b> Candidate offers theoretical knowledge only of how strategic changes might impact on business in general. Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar, which will be noticeable and intrusive. Writing may also lack legibility.</p>

**OCR (Oxford Cambridge and RSA Examinations)**  
1 Hills Road  
Cambridge  
CB1 2EU

**OCR Customer Contact Centre**

**Education and Learning**

Telephone: 01223 553998

Facsimile: 01223 552627

Email: [general.qualifications@ocr.org.uk](mailto:general.qualifications@ocr.org.uk)

**[www.ocr.org.uk](http://www.ocr.org.uk)**

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

Oxford Cambridge and RSA Examinations  
is a Company Limited by Guarantee  
Registered in England  
Registered Office; 1 Hills Road, Cambridge, CB1 2EU  
Registered Company Number: 3484466  
OCR is an exempt Charity

OCR (Oxford Cambridge and RSA Examinations)  
Head office  
Telephone: 01223 552552  
Facsimile: 01223 552553

© OCR 2012

