

**Applied Business**

General Certificate of Secondary Education

Unit **A241**: Business in Action

**Mark Scheme for January 2012**

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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.

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## Annotations

Annotation	Meaning
	Unclear
	Benefit of doubt
	Context
	Level 1
	Level 2
	Level 3
	Not answered question
	Repeat
	Too vague
	Tick
	Development of point
	Own figure rule
	Cross

**Subject-specific Marking Instructions – NEW FOR 2012 PLEASE READ CAREFULLY****Application marks (AO2)**

Application marks are available for **application of knowledge**. The application marks would be gained by explaining how a business may react, the implications of their theoretical suggestion or reasons why it is a good/bad idea. Context is not needed.

Application marks are also awarded if the candidate **applies their knowledge in the context** of the case study business or their chosen business. It will be clear in the question which business they should refer to. On occasion candidates may be asked to apply their answer to a business 'such as' (usually then naming the case study business) this allows candidates to apply their knowledge in the context of a similar business. The business could be similar in terms of the ownership, size of the business, sector in which it operates or the service it provides/ products it produces. The mark scheme will clearly show whether the application marks are for application in context or application of knowledge.

**10 mark questions**

**Level 1** marks are awarded for showing knowledge.

**Level 2** marks are awarded for application and are now split into 3–4 marks and 5–6 marks.

**3–4 marks** - Application marks are available for **application of knowledge**. The application marks would be gained by explaining how a business may react, the implications of their theoretical suggestion or reasons why it is a good/bad idea. Context is not needed.

**5–6 marks** are awarded if the candidate **applies their knowledge in the context** of the case study business or their chosen business. Specific guidance will be given within the mark scheme as to what is needed to access 5 marks.

It must be clear that the candidate is applying their answer to the case study business or a business they have studied to move above L2 4 marks. An applied answer can go straight to L2 as it is not expected that the candidate includes theory in their answer.

Start by checking the candidate's answer for context. Once you have found context in the answer then it can gain at least 5 marks. Context only has to be hit once to reach this level (level 2 descriptor also has to be met to reach level 2).

**Level 3** marks are awarded for analysis and evaluation. The candidate has to have previously correctly applied their knowledge in the context of the case study in order to achieve level 3.

**7–8 marks** are awarded for analysis based on previous application in context.

**9–10 marks** are awarded for evaluation based on previous analysis.

**Quality of Written Communication (QWC)**

Questions 3b, 3f and 4c have QWC embedded in the levels. Below are the full descriptors for requirements to meet the level with regard to QWC.

**Level 3** – Candidate shows ability to present relevant material in a well planned and logical sequence. Material is clearly structured using appropriate industry terminology confidently and accurately. Sentences, consistently relevant, are well structured in a way which directly answers the question. There will be few, if any, errors of grammar, punctuation and spelling.

**Level 2** – Candidate shows ability to present relevant material in a planned and logical sequence. Appropriate industry terminology is used. Sentences, for the most part, are presented in a balanced, logical and coherent manner which addresses the question. There will be occasional errors of grammar, punctuation and spelling.

**Level 1** – Candidate shows ability to communicate at least one point using some appropriate industry terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of the question. Errors of grammar, punctuation and spelling may be noticeable and intrusive.

Question		Answer	Marks	Guidance
1	(a)	Tertiary	1	Annotations ✓ or ✗
	(b)	(i) One mark for correct identification and one for development. Possible responses may include: <ul style="list-style-type: none"> <li>The owners have limited liability (1) so if JR Tours Ltd has financial difficulties the owners will only lose the money they invested (1)</li> <li>It is a more secure business than a partnership (1) so banks may be more willing to invest money in it (1).</li> </ul>	2	Annotations ✓ ✓+ or ✗  Do not need to say JRT as long as answer is application of knowledge.
		(ii) One mark for correct identification and one for development. Possible responses may include: <ul style="list-style-type: none"> <li>The financial affairs of JR Tours Ltd can be known by the public (1) some investors may be put off by this (1)</li> <li>Shareholders have to be invited to join (1) so it may be harder to find new investors for JR Tours Ltd (1).</li> </ul>	2	Annotations ✓ ✓+ or ✗  Do not need to say JRT as long as answer is application of knowledge.
	(c)	(i) One mark correct identification. Possible responses may include: <ul style="list-style-type: none"> <li>To survive</li> <li>To break even</li> <li>To provide a service</li> <li>To make a profit.</li> </ul>	1	Annotations ✓ or ✗  Do not allow – to expand.

Question		Answer	Marks	Guidance
	(ii)	<p>One mark correct identification. Possible responses may include:</p> <ul style="list-style-type: none"> <li>• Make a profit</li> <li>• Expand</li> <li>• Become market leader</li> <li>• Increase number of branches</li> <li>• Increase profit.</li> </ul>	1	<p>Annotations ✓ or ✗</p> <p>Must be different – you must check this.</p>
(d)	(i)	<p>One mark for an <b>appropriate</b> mission statement, second mark if it is in context.</p> <p>My school's mission statement is 'Every student should achieve their best in all areas of their school life.' (2)</p> <p>ABC shop Corner shop</p> <p>To give the best possible customer service at the lowest possible price (2).</p>	2	<p>Annotations ✓ or ✗ and CONT</p> <p>Must name a business. If no name and no activity given then maximum one mark. If do not fill out name and activity then can still get 2 marks if see evidence of this in answer.</p> <p>A theoretical mission statement could earn 1 mark.</p> <p>Do not award for aims/objectives/marketing tag line or slogan.</p>
	(ii)	<p>One mark for correct identification and one for development. Possible responses may include:</p> <ul style="list-style-type: none"> <li>• It sets out the vision of the business (1) so that employees understand what the business is trying to do (1).</li> <li>• It sets out the values of the business (1) so that everyone knows what the managers believe in (1).</li> <li>• It motivates the employees (1) because they understand the ethics of the business (1).</li> </ul>	2	<p>Annotations ✓ ✓+ or ✗</p> <p>Application of knowledge.</p>

Question			Answer	Marks	Guidance
2	(a)	(i)	<p>One mark for correct identification and one for development. Possible responses may include:</p> <ul style="list-style-type: none"> <li>Someone in the finance department will need to complete the profit and loss account (1) they do this by keeping a record of everything JR Tours Ltd has bought and all the money coming in from the travel agencies</li> <li>Someone in the Head Office will be responsible for paying all the wages (1) they do this by collecting information from all of the different travel agencies (1).</li> </ul>	2	<p>Annotations ✓ ✓+ or ✗</p> <p>Application in context of Head Office.</p> <p>This question requires a description of ONE task, not a list of many different tasks. Explanation is not needed – a developed description is asked for.</p>
		(ii)	<p>One mark for correct identification and one for development. Possible responses may include:</p> <ul style="list-style-type: none"> <li>When customers pay for their holidays they pay at the travel agency (1) this money will then be put into the bank by someone in the travel agency (1)</li> <li>If the travel agency offers foreign currency then someone in the shop will be in charge of changing the money into Euros (1) they will have to work out how many Euros to give by calculating the exchange rate (1)</li> <li>Work out how much the holiday costs (1) and take the money from the customer (1).</li> </ul>	2	<p>Annotations ✓ ✓+ or ✗</p> <p>Application in context of branches. Must be different to 2ai.</p> <p>This question requires a description of ONE task, not a list of many different tasks. Explanation is not needed – a developed description is asked for.</p>

Question	Answer	Marks	Guidance
(b)	<p>One mark for brief outline and one for development. Possible responses may include:</p> <ul style="list-style-type: none"> <li>• In JRT the marketing functional area is responsible for ensuring that as many people as possible know about the business (1) this is so that they get all of their holiday booked up (1)</li> <li>• In JRT the marketing functional area undertakes research (1) this is so that they know what sort of holiday people want (1).</li> </ul>	2	<p>Annotations ✓ ✓+ or ✗</p> <p>Can be application of knowledge or application of context. Accept generic, specific to JRT or specific to any other business</p> <p>Why the marketing functional area operates in this way.</p> <p>Do not award tasks.</p>
(c)	<p>One mark for brief outline and one for development. Possible responses may include:</p> <ul style="list-style-type: none"> <li>• In my school the admin functional area is responsible for the reception area (1) this ensures that all visitors know where they are going (1)</li> <li>• In my school the admin functional area is in charge of the weekly newsletter to parents and teachers (1) this makes sure that everyone knows what is happening in the school that week (1).</li> </ul>	2	<p>Annotations ✓ ✓+ or ✗</p> <p>Can be application of knowledge or application of context. Accept generic, specific to JRT or specific to any other business.</p> <p>Why the administration functional area operates in this way.</p> <p>Do not award tasks.</p>
(d)	<p>One mark for each correct identification and one for each development. Possible responses may include:</p> <ul style="list-style-type: none"> <li>• The functional areas need to work together in order to save the business money (1) if they didn't work together something might get done twice and so cost the business extra money (1)</li> <li>• The functional areas need to work together so that they don't miss opportunities (1) jobs might not get done at all and the customers then might not know about any new deals (1).</li> </ul>	4	<p>Annotations ✓ ✓+ or ✗</p> <p>Do not award opposites or repeats of reason or development.</p> <p>Can use two different examples from different functional areas to show why it is important to work together.</p>

Question		Answer			Marks	Guidance																					
	(e)	<table border="1"> <thead> <tr> <th>Expectation</th> <th>Employee expectation of employer</th> <th>Employer expectation of employee</th> </tr> </thead> <tbody> <tr> <td><i>Example: Suitable working conditions.</i></td> <td>✓</td> <td></td> </tr> <tr> <td>Contract of employment</td> <td>✓</td> <td></td> </tr> <tr> <td>Punctuality</td> <td></td> <td>✓</td> </tr> <tr> <td>Carry out the job role</td> <td></td> <td>✓</td> </tr> <tr> <td>Equal opportunities</td> <td>✓</td> <td></td> </tr> <tr> <td>Safe working environment</td> <td>✓</td> <td></td> </tr> </tbody> </table>	Expectation	Employee expectation of employer	Employer expectation of employee	<i>Example: Suitable working conditions.</i>	✓		Contract of employment	✓		Punctuality		✓	Carry out the job role		✓	Equal opportunities	✓		Safe working environment	✓				5	<p>Annotations ✓ or ✗</p> <p>Must be clearly identifying one answer.</p>
Expectation	Employee expectation of employer	Employer expectation of employee																									
<i>Example: Suitable working conditions.</i>	✓																										
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Safe working environment	✓																										
	(f)	<p>One mark for correct identification and one for development. Possible responses may include:</p> <ul style="list-style-type: none"> <li>At Debenhams appraisals give the member of staff a chance to talk one-to-one with their manager (1) this means that good and bad points can be raised and addressed (1)</li> <li>At Debenhams there is a reward scheme for opening store cards, this makes everyone work together (1) as the department with the most accounts opened wins a prize (1)</li> <li>At my school the teachers have a daily briefing so that information is communicated to everyone (1) this means that staff don't feel left out (1).</li> </ul>				6	<p>Annotations ✓ ✓+ or ✗</p> <p>Application of knowledge.</p> <p>Aspects of the contract of employment/ general working conditions are not awarded – eg: being punctual, working hard, providing good working conditions.</p> <p>How or why the way helps to develop a good working relationship.</p> <p>Take care that the developments are not repeated.</p>																				

Question		Answer	Marks	Guidance
3	(a)	<p>One mark for the description and one mark for an example. Possible responses include:</p> <ul style="list-style-type: none"> <li>• Oxfam (1) – raises money to help people in countries where there is famine (1)</li> <li>• Amnesty International (1) – raises awareness of people who are suffering illegally (1).</li> </ul>	2	<p>Annotations ✓ or ✗</p> <p>Must include an example of a charity to gain 2 marks (google if unsure if example is a charity). Can be a local charity. Description must be tied into charity for second mark.</p> <p>Do not accept simply selling goods as the work it does.</p> <p>Accept – Fair Trade.</p>
	(b)	<p>One mark for each correct identification. Possible responses may include:</p> <ul style="list-style-type: none"> <li>• JR Tours Ltd could become a Plc</li> <li>• JR Tours Ltd could start offering holidays to different countries</li> <li>• JR Tours Ltd could set up a website booking system.</li> <li>• JR Tours Ltd could expand the business abroad</li> <li>• JR Tours Ltd could open more branches</li> </ul>	3	<p>Annotations ✓ or ✗</p> <p>Do not accept any aspect of working with charities or examples of methods of sales promotion, but accept offering new products or services.</p> <p>Generic answers accepted but do not accept things the directors already do eg: sell currency and sell insurance but could say the directors could sell a wider range of currency.</p> <p>This question is about the directors and not the employees.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
(c)	*	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• Loss of customers</li> <li>• Loss of market share</li> <li>• New competitors in market</li> <li>• Loss or profit</li> <li>• Being left behind</li> <li>• Employees unhappy</li> <li>• Customers unhappy</li> <li>• Possible changes to business practices.</li> </ul> <p>Luxury Cottages</p> <p>The tourism sector is a very competitive one and in order to stay ahead of the competition Luxury Cottages needs to make changes to its existing business practices (L1). Luxury Cottages could think about introducing new destinations for its cottages, by having holidays further away than Wales. This would increase the target market and attract new customers to Luxury Cottages (L2). It they didn't do this then they will be competing with the same businesses trying to attract the same customers who want a week away in Wales (L2).</p> <p>Doing this might cost the business a lot of money and in order to raise this money it may have to become a public</p>	10	<p>It must be clear that the candidate is applying their answer to a business they have studied to move above L2 4 marks. An applied answer can go straight to L2 as it is not expected that the candidate includes theory in their answer.</p> <p>Note: If candidate only analyses, with no appropriate conclusions, a maximum of 8 marks can be awarded.</p> <p>0 marks = no response or response does not address the question.</p> <p>This question is in two parts. If the candidate uses inappropriate business practices (eg: examples of marketing) but correctly explains consequences to their business of not changing the business practices then the marks can be awarded.</p>	<p>Annotations L1, L2, L3, CONT, ✓+ (use this annotation when decision has been made).</p> <p><b>Level 3 (7-10 marks):</b> Candidate makes reasoned judgements and presents appropriate conclusions about the consequences to the business of not making changes to its existing business practices.</p> <p>7 marks – 1 consequence analysed. 8 marks – 2 or more consequences analysed. 9 marks – makes decision/judgement based on previous analysis. Needs to have <b>correctly analysed</b> the consequence they have chosen. 10 marks – makes decision and fully justified and at least 2 consequences analysed.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
		<p>limited company (L1). This would mean new investors could help the business. If they didn't try to attract new investors by going public Luxury Cottages might not be able to afford to expand their destinations (L2).</p> <p>Customers are looking for something different when deciding on a holiday and I think that LC need to think of something to stand out from the competition (L2). If they didn't do this then LC would have to compete on price (L2).</p> <p>The most important factor is to stand out from the competition as there are many different places that people can book their holiday (L2), if LC did not change their business practices in the ways I have suggested they might find it harder to compete with the bigger businesses like Thomas Cook (L3).</p>			<p><b>Level 2 (3-6 marks):</b> Candidate applies knowledge of consequences of not changing business practices to the business or explains changes in business practice.</p> <p>3 marks – an explanation not in context of 1 consequence or 1 change in business practice. 4 marks – an explanation not in context of 2 or more consequences <b>or</b> 2 or more changes to business practices <b>or</b> 1 consequence and 1 change. 5 marks – 1 consequence needs explaining in context <b>or</b> 1 change in business practice. 6 marks – 2 or more consequences need to be explained in context <b>or</b> 2 or more changes to business practices <b>or</b> 1 consequence and 1 change.</p>

Question			Answer	Marks	Content	Guidance
						<p><b>Levels of response</b></p> <p><b>Level 1 (1-2 marks):</b> Candidate describes consequence(s) or describes possible changes to business practices.</p> <p>1 mark – shows knowledge of one consequence or one change to a business practice. 2 marks – shows knowledge of 2 or more consequences <b>or</b> 2 or more changes to business practices <b>or</b> 1 consequence and 1 change.</p> <p><b>0 marks</b> = no response or response does not address the question.</p>

Question		Answer	Marks	Guidance
	(d)	<p>Basic definition (1) full definition (2). For 2 marks the answer must mention the future.</p> <p>Development which meets the needs of the present (1) without compromising the ability of future generations to meet their own needs (1).</p>	2	<p>Annotations ✓ or ✗</p> <p>Do not credit examples.</p>
	(e)	<p>One mark for each correct identification. Possible responses may include:</p> <ul style="list-style-type: none"> <li>• Turn off all office equipment when not in use</li> <li>• Keep heating at a constant level</li> <li>• Minimise the need for travel</li> <li>• Use email where possible.</li> </ul>	2	<p>Annotations ✓ or ✗</p> <p>Beware of repetition.</p> <p>Do not credit examples that are ethical eg: Fair Trade.</p>

Question		Answer	Marks	Guidance	
				Content	Levels of response
(f)	*	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• May go through each bullet in question and analyse the effect</li> <li>• Shareholders wanting extra dividend and not receiving it may mean they will sell their shares</li> <li>• Charities may create negative publicity if do not get extra money</li> <li>• Employees may be unhappy and threaten industrial action</li> <li>• Reasons why important to listen to stakeholder groups</li> <li>• Which group is the most important and why</li> <li>• Which group is the least important and why.</li> </ul> <p>There are many different stakeholder groups in a business all have a different interest in what the business does (L1).</p> <p>The shareholders are the owners of JR Tours Ltd so if they do not get what they want then they could take their money out of JR Tours Ltd and the business might have problems finding new owners (L2). The charity is important to the new image of JR Tours Ltd as being a caring travel agency (L2). If they upset the charity then maybe the charity would tell the newspapers and this would reflect badly on JR Tours Ltd.</p>	10	<p>It must be clear that the candidate is applying their answer to the directors of JR Tours Ltd to move above L2 4 marks. An applied answer can go straight to L2 as it is not expected that the candidate includes theory in their answer.</p> <p>Context allowed – candidate can use the information in the bullet points in the question but not just the stakeholder group names.</p> <p>Note: If candidate only analyses, with no appropriate conclusions, a maximum of 8 marks can be awarded.</p> <p>For 10 marks, the group with the biggest impact must be evaluated and the reasons why the other groups have a lesser impact need explaining.</p> <p>0 marks = no response or response does not address the question.</p> <p>Do not credit reference to stakeholder groups not mentioned in the question.</p>	<p>Annotations L1, L2, L3, CONT, ✓+ (use this annotation when decision has been made).</p> <p><b>Level 3 (7-10 marks):</b> Candidate makes reasoned judgements and presents appropriate conclusions about ignoring which group will have the biggest impact on JR Tours Ltd.</p> <p>7 marks – 1 group analysed. 8 marks – 2 or 3 groups analysed. 9 marks – makes decision/judgement based on previous analysis. Needs to have correctly analysed the group they have chosen. 10 marks – makes decision and fully justified and analysed. For 10 marks, there needs to be some ranking of the groups. Evaluating ignoring which group will have the greater impact on the business and why.</p> <p><b>Level 2 (3-6 marks):</b> Candidate applies knowledge about consequences to JR Tours Ltd of not listening to the stakeholder groups.</p> <p>3 marks – an explanation not in context of consequence to one</p>

Question		Answer	Marks	Guidance	
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		<p>JR Tours Ltd does not know how much extra custom it might get as a result of being ethical and so ignoring the charity could mean it will lose this extra business resulting in a loss of money and reputation (L3).</p> <p>Without employees JR Tours Ltd cannot operate. If the employees are not happy then they could go on strike or not work very hard (L2) this would mean that customers would not be happy and would go to another travel agency to book their holiday (L3).</p> <p>Out of these three groups I think that it is most important to listen to the needs of the employees – it might not cost JR Tours Ltd a lot of money to make the changes they want (L3). As it is a service business it will quickly lose customers and get a bad reputation if the employees do not look after the customers well. (L3).</p>			<p>group (no development).  4 marks – an explanation not context of consequences to two to three groups.  5 marks – an explanation in context of consequences to one group.  6 marks – an explanation in context of consequences to two to three groups.</p> <p><b>Level 1 (1-2 marks):</b>  Candidate describes stakeholder group(s) or describes the possible impact.</p> <p>1 mark – shows knowledge of a consequence of one group.  2 marks – shows knowledge of a consequence of two or three groups.</p>

Question			Answer	Marks	Guidance
4	(a)	(i)	<p>One mark for each correct identification. Possible responses may include:</p> <ul style="list-style-type: none"> <li>• Do internet research of destinations</li> <li>• Email hotels directly</li> <li>• Use PayPal to pay for a holiday</li> <li>• Win a holiday on eBay</li> <li>• Book with online travel agency</li> <li>• Check price comparison websites</li> </ul>	2	<p>Annotations ✓ or ✗</p> <p>This question is about customers and not what the business can do.</p> <p>Allow telephone booking.</p>
		(ii)	<p>One mark for correct identification and one for development. Possible responses may include:</p> <ul style="list-style-type: none"> <li>• If JR Tours Ltd had their own website for booking holidays they would need less staff (1) as the computer would do a lot of the work for them (1)</li> <li>• JR Tours Ltd could save money (1) if they had their own website where people could book online as they would not need as many shops open in different towns (1).</li> </ul>	2	<p>Annotations ✓ ✓+ or ✗</p> <p>Development in context. Must use one of the ideas in 4ai above.</p> <p>This question is about JR Tours Ltd.</p> <p>If the candidate has not completed the chosen way but has used one of their ways in their answer then the marks can still be awarded.</p> <p>OFR – if the candidate did not gain marks for a way in 4ai that they use in 4aii they can still gain a max of 1 mark if they explain a valid benefit to JR Tours Ltd.</p>

Question		Answer	Marks	Guidance										
	(b)	<table border="1"> <thead> <tr> <th>Change in behaviour</th> <th>Rise or fall in economic factor</th> </tr> </thead> <tbody> <tr> <td><i>Example: Holidays in the eurozone become more expensive</i></td> <td><i>fall</i> in pound/euro exchange rate</td> </tr> <tr> <td>Fewer people apply for job vacancies at JR Tours Ltd.</td> <td><b>Fall</b> in unemployment.</td> </tr> <tr> <td>Repayments on people's mortgages have gone up.</td> <td><b>Rise</b> in interest rates</td> </tr> <tr> <td>Prices of the luxury holidays are more expensive.</td> <td><b>Rise</b> in inflation.</td> </tr> </tbody> </table>	Change in behaviour	Rise or fall in economic factor	<i>Example: Holidays in the eurozone become more expensive</i>	<i>fall</i> in pound/euro exchange rate	Fewer people apply for job vacancies at JR Tours Ltd.	<b>Fall</b> in unemployment.	Repayments on people's mortgages have gone up.	<b>Rise</b> in interest rates	Prices of the luxury holidays are more expensive.	<b>Rise</b> in inflation.	3	Annotations ✓ or ✗  Mark correct if use increase or decrease correctly instead of rise and fall.
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Question		Answer	Marks	Guidance	
				Content	Levels of response
(c)	*	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>Decrease in unemployment – more people going on holiday, harder to fill any job vacancies</li> <li>Increase in interest rates – mortgages gone up, people less willing to buy holidays on credit as have to pay more</li> <li>Increase in inflation – price of holiday gone up and also everything else people buy, if wages not increased then holiday will seem more expensive.</li> </ul> <p>The economic factors which will affect any business are interest rates, inflation, unemployment and exchange rates. Holidays are seen as a luxury so if customers don't have much money then they might decide not to go on holiday (L2).</p> <p>If the interest rate goes up so borrowing becomes more expensive people might be less likely to book a holiday early and pay for it on their credit card. JR Tours Ltd could offer a discount for paying early so people are encouraged to book their holiday (L2).</p> <p>If there is inflation then the price of holidays should go up (L1), JR Tours Ltd could set a date and say prices won't go</p>	10	<p>It must be clear that the candidate is applying their answer to JR Tours to move above L2 4 marks. An applied answer can go straight to L2 as it is not expected that the candidate includes theory in their answer.</p> <p>Note: If candidate only analyses, with no appropriate conclusions, a maximum of 8 marks can be awarded.</p> <p>0 marks = no response or response does not address the question.</p> <p><b>Do not credit copying from table in 4b</b></p>	<p>Annotations L1, L2, L3, CONT, ✓+ (use this annotation when decision has been made).</p> <p><b>Level 3 (7-10 marks):</b> Candidate makes reasoned judgements and presents appropriate conclusions. 7 marks – reaction to change in 1 economic factor analysed. 8 marks – reaction to change in 2 or 3 economic factors analysed. 9 marks – makes decision/judgement based on previous analysis. Needs to have correctly analysed the economic factor they have chosen. 10 marks – makes decision and fully justified and analysed.</p> <p><b>Level 2 (3-6 marks):</b> Candidate applies knowledge about how JR Tours Ltd <b>can react</b> to changes in economic factors. (Not consequences of economic factors). 3 marks – an explanation not in context of a reaction to changes in one economic factor. 4 marks – an explanation not context of a reaction to changes in two to three economic factors. 5 marks – an explanation in context of a reaction to a change in at least</p>

Question			Answer	Marks	Guidance	
					Content	Levels of response
			up until after that date this might encourage people to book with JR Tours Ltd and not a competitor (L3) so that they are not losing customers I think the most important thing that they can do is offer cheaper prices if you book early so that JR Tours Ltd has the money and can be making some interest on it themselves and also they know that some of the holidays are booked (L3).			<p>one economic factor. 6 marks – an explanation in context of a reaction to a change in two to three economic factors.</p> <p><b>Level 1 (1-2 marks):</b> Candidate describes factor(s) or describes how a business can react. 1 mark – shows knowledge of one economic factor or one reaction to a change in a factor. 2 marks – shows knowledge of two or three economic factors or two or three reactions to changes in factors.</p>

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