

# **Business Studies**

Advanced GCE A2 H430

Advanced Subsidiary GCE AS H030

## **Mark Scheme for the Units**

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**June 2009**

**H030/MS/R/09**

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## **CONTENTS**

**Advanced GCE Business Studies (H430)**

**Advanced Subsidiary GCE Business Studies (H030)**

### **MARK SCHEMES FOR THE UNITS**

<b>Unit/Content</b>	<b>Page</b>
F291 An Introduction to Business	1
F292 Business Functions	9
Grade Thresholds	19

# F291 An Introduction to Business

Question	Expected Answers	Marks
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1	State <u>three</u> factors that will affect the demand for holidays.	[3]
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- *The time of year*
- *Price*
- *Consumer's income/level of income in the economy*
- *The exchange rate*
- *Complementary products (such as car parking at airports)*
- *Competition/competitors' prices/competitors' actions*
- *Taste/fashion (desirability of resorts changes over time)*
- *"Keeping up with the Jones" etc.*
- *Quality (of holiday)*

*Also allow references to macro economic factors such as interest rates, expectations of interest rates, income tax, level of unemployment, level of GDP, state of the economy/the economic cycle.*

*Etc.*

3 x 1 mark.

- 2 (a) State two social costs that could result from taking holidays abroad. [2]

*Social costs can be regarded as Private Costs (costs to an individual) + External Costs (costs imposed on a third party e.g. the community)*

*Therefore accept any valid examples of a private and/or external costs.*

*Private costs*

- *Changing your money into foreign currency*
- *Vaccinations*
- *The price/cost of the holiday*
- *Staying in the hotel*
- *Pilot's wages/wages of TC staff*
- *Flight cost*
- *Tax on flight*
- *Fine (from school/government)*
- *Insurance (travel)*
- *Fuel (to get to airport/hotel)*
- *Car parking (at airport)*
- *Food/drink/etc.*
- *Gifts*
- *Skin cancer/injury abroad/sickness*

*External costs*

- *Air pollution*
- *Noise pollution*
- *Global warming*
- *CO2 emissions*
- *Damage to ozone layer*
- *Congestion (around airports/roads around airports)*
- *'Spoiled landscape'*
- *'Destroys local culture'*
- *Negative effect on UK tourism*
- *People take holidays in term time*

*Etc.*

2 x 1 mark.

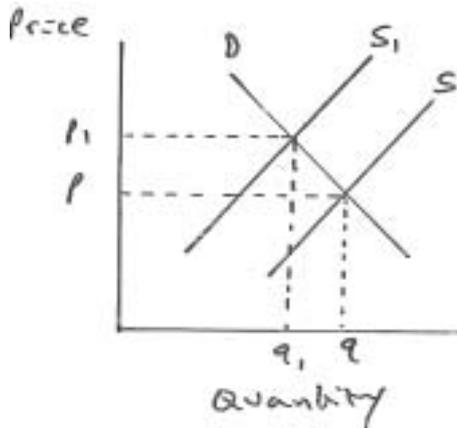
- (b) **The government imposes a tax on all flights from the UK. (Line 9) [6]**  
**Analyse one likely effect of this tax on TC.**

*The tax imposed is an indirect tax, ie one which is paid when a person/business spends money on a particular product, eg excise duty and VAT.*

*The effect of such a tax will be to raise the cost of the product, in this case the flight, to TC (which will increase market price). This, theoretically, should cause demand to fall. This reduction in the number of flights should reduce the social costs associated with air travel. It may also have negative human resource implications for TC's staff.*

*It could be argued that the demand for flights is inelastic (the term does NOT have to be used) or that the tax was so small that overall it would have little effect on demand – and, therefore, on social costs.*

*A diagram would be the obvious route in to the question but is NOT necessary. On a demand and supply diagram this indirect tax is represented by a leftward shift of the supply curve. S1 represents supply after the tax was imposed.*



<b>Level 3</b>	Some analysis of the effect(s) on TC.	<b>(6-5)</b>
<b>Level 2</b>	Understanding demonstrated of concepts involved.	<b>(4-3)</b>
<b>Level 1</b>	Appropriate concepts (eg indirect tax, demand etc) identified.	<b>(2-1)</b>

- 3 (a) One of TC's objectives is 'to expand in existing and new markets'. [10]  
Analyse two human resource implications of this expansion.

The specification makes reference to "the significance of the workforce" and workforce planning, recruitment, selection, training and severance, so accept references to these such as:

- there will be new posts to be filled so managers will have to devote time to examining/determining the type(s) of employees necessary to staff them;
- the 'right people' will have to be employed, so there are costs associated with recruitment that will have to be paid;
- these new employees will have to be trained properly. Holidays are an expensive purchase and customers expect service and knowledge, so there are costs associated with recruitment that will have to be paid especially if there are visits abroad;
- employees have to be motivated. What might be done?
- if some jobs disappear in any reorganisation caused by the expansion then there will be redundancy costs to pay.

<b>Level 3</b>	Some analysis of the implication(s) to TC.	<b>(10-7)</b>
<b>Level 2</b>	Some understanding of the issues demonstrated.	<b>(6-3)</b>
<b>Level 1</b>	Knowledge of human resource issue(s).	<b>(2-1)</b>

- (b) **Other than human resource issues, discuss the likely factors which will determine whether TC successfully meets this objective.** [14]

Demographics are important and changes here will necessitate changes in products offered, location of holidays, types of hotels, marketing policy, etc.

'Customers who come back'. This clearly depends on issues such as quality of service and prices charged.

Adequate and appropriate finance. Detailed knowledge not required on F291.

Good cash flow so that bills can be paid. Also, not to get a reputation for late payment to suppliers abroad; the market is competitive and late payment could damage reputation and, therefore, business in the future.

Suppliers (eg hotels abroad, airlines) which share TC's objectives eg, on customer service, building a long-term relationship, etc.

Knowledge of, and response to, the market and/or economy; trends, possible changes, etc.

A clear plan, co-ordinated organisation of the above, regular evaluation of progress are all essential.

Law is not on F291 but allow references to it. Candidates may talk about Thomas Cook 'having to pay its taxes or it will have problems' in the light of Question 2.

<b>Level 4</b>	Some evaluation of the factor(s) in determining if the objective is met.	<b>(14-11)</b>
<b>Level 3</b>	Some analysis of factor(s) in context.	<b>(10-7)</b>
<b>Level 2</b>	Some understanding of the issues(s).	<b>(6-4)</b>
<b>Level 1</b>	Factors influencing business success are identified.	<b>(3-1)</b>

4 (a) Identify three ways to assess the size of TC. [3]

- Market share
- Number of shops/branches/outlets
- Value of assets (shops)/capital employed
- Profit
- Turnover/sales value/revenue/income
- Number of employees.

Etc.

3 x 1 mark.

(b) Outline two differences between a public limited company and a private limited company. [4]

To get to Level 2 the difference must be outlined not just implied eg “a plc has shares for sale on the stock exchange” is Level 1 not Level 2.

**A public company:**

- has shares sold on the stock market. Ltd does not;
- plc's shares are sold to anyone. Ltd has to sell shares via private negotiation/cannot advertise shares for sale to the public;
- no restrictions on share transfers in a plc. Ltd may have restrictions on share transfers;
- the name; public company is 'plc'. A private company must end with 'Limited/Ltd';
- in a plc minimum share capital is £50,000. Ltd has no minimum;
- in a plc minimum number of shareholders is 2. Ltd is 1;
- plc's are usually larger. Private companies tend to be smaller/“often found in family businesses”;
- plc needs more detail in its Report and Accounts. – NB accept responses such as “In a private company, reporting/accounting is less complicated”;
- for the accounts of private limited companies, accept “do not have to publish”, but do not accept “do not have to disclose”;
- do not accept “private companies do not have to disclose their accounts” The accounts of ALL companies are on open access at Companies House.

Etc.

<b>Level 2</b>	Difference(s) outlined.	<b>(4-3)</b>
<b>Level 1</b>	Difference(s) stated.	<b>(2-1)</b>

**5 Discuss the extent to which TC's stakeholders might regard charging higher prices at different times of the year as being unethical.**

The answer could be approached from a consideration of "who wins/who loses".

Customers – those with children are, more or less, forced to pay high prices (especially as schools/colleges are reluctant to allow parents to remove pupils during term time). They would 'lose'. Are they being unethically treated as they have no option? They might well view it as such! The case states "Some parents are angry that they have been threatened, by headteachers with a fine of £1000 for taking their children out of school during term time" (line 15-16). But they could pay the £1000 fine and still be better off! Is this balanced by the fact that those with no children/those who have retired, etc. will benefit in terms of price – although it could be argued that "off season" the weather may be worse, the facilities may not be so comprehensive, etc. as during the peak times. These consumers may see it as a bargain and not unethical.

Shareholders – would benefit from the revenue/profit from the price discrimination (the term does not have to be used). Are they benefiting via an unethical practice? Would they mind?

Local community – the selling of holidays all year round by changing prices creates jobs/income all year round both in the hotels/resorts and in the UK travel industry as a whole. This sounds ethical but what is the quality of the jobs in terms of pay and conditions? Schools are part of 'the local community' and teaching is made more difficult when pupils return from holidays taken in term time. Schools would have a view on this.

Suppliers – ie hotels, airlines, etc. The same argument for 'the local community' applies; the selling of holidays all year round by changing prices creates jobs/income all year round. This sounds 'good' and, therefore, ethical but to what extent is the contract beneficial? As a powerful market leader might TC adopt a 'take it or leave it approach' to suppliers?

Employees – once again, jobs are generated all year round to some extent – although a lot of employment in the travel industry is seasonal. So is it unethical? If employees are on short term contracts with limited job security, etc. they may see the practice as unethical.

The government – whilst not a direct stakeholder will presumably be pleased if the policy brings in more profit for TC and, therefore, tax revenue for the Treasury.

<b>Level 4</b>	Some evaluation concerning the ethics of charging different prices. 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 may be few, if any, errors of spelling, punctuation and grammar.	<b>(18-14)</b>
<b>Level 3</b>	Some analysis of the ethics of charging different prices. Relatively straight forward 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.	<b>(13-9)</b>
<b>Level 2</b>	Some application/understanding of the issues(s). 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.	<b>(8-5)</b>
<b>Level 1</b>	Knowledge recalled about prices, ethics or stakeholders. 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.	<b>(4-1)</b>

# F292 Business Functions

## Section A

Question	Expected Answers	Marks
1 (a)	<p><b>Stock is one item listed under the heading of current assets on a balance sheet. State <u>two</u> other current assets.</b></p> <ul style="list-style-type: none"> <li>• Debtors</li> <li>• Cash</li> <li>• Bank balances</li> <li>• Marketable securities</li> <li>• Prepayments</li> </ul> <p>etc. 2 x 1 mark.</p> <p>Accept other recognisable names for the above (eg, accounts receivable, cash equivalents, etc.)</p>	[2]
(b)	<p><b>Identify <u>two</u> disadvantages to an organisation of high labour turnover.</b></p> <ul style="list-style-type: none"> <li>• Higher training costs</li> <li>• More recruitment costs</li> <li>• Lower quality levels</li> <li>• Disruption to production levels</li> <li>• Impact on established workers' efficiency, eg lower morale</li> <li>• Difficulty in meeting business objectives</li> <li>• Difficulties in communication</li> <li>• Damage to the firm's reputation</li> </ul> <p>2 x 1 mark.</p>	[2]
(c)	<p><b>Define the term 'customer orientation'.</b></p> <p>Putting the customers' needs at the heart of the firm's organisation. Allowing customers to determine what they need. This means producing what the customer wants rather than getting the customer to buy what the firm has made.</p> <p>2 marks - a clear knowledge of what the term means. 1 mark - a general idea of the term.</p>	[2]

A firm produces cereal bars. The direct costs are 18 pence per unit. A local health shop wishes to place an order for 40,000 cereal bars at a price of 20 pence each. The order will incur an additional overhead cost of £350.

[4]

Calculate the total contribution of this order.

Method 1

Unit Contribution	=	Price - Unit Direct Cost	(1)
	=	20p - 18p = 2p	(1)
Total Contribution	=	2p x 40,000	= £800 (1)
Final Contribution	=	£800 - £350	= £450 (1)

(d) Method 2

Total contribution	=	Total revenue – Total direct Cost	(1)
Additional revenue	=	40,000 x £0.20	= £8,000 (1)
Additional direct costs	=	40,000 x £0.18	= £7,200 (1)
Total Contribution	=		= £800 (1)
Final Contribution	=	£800 - £350	= £450 (1)

**OFR**

**Maximum of 3 marks if the answer is incorrect.**

[4]

(e) Outline two advantages of introducing Just-in-Time (JIT) into the production process of a firm.

- JIT may reduce stock levels so leading to lower costs of holding stock and allows storage facilities to be used for other purposes.
- Other cost savings may be explained, eg warehousing, opportunity cost, insurance, security.
- It should reduce waste; especially waste that results from storage and overproduction which may be particularly relevant for perishable or fashionable stock.
- Output is produced with a customer specifically in mind which encourages workers to take more care in production.
- Quality may be improved as workers will be focused on avoiding costly mistakes.
- JIT may also improve links with suppliers, so leading to generally higher efficiency.

<b>Level 2</b>	Some understanding shown of the advantage(s) of introducing JIT.	<b>(4-3)</b>
<b>Level 1</b>	One or two advantages identified/stated.	<b>(2-1)</b>

- (f) Explain two different payment methods for employees. [4]

Wage – based on time or output

Salary – fixed amount independent of time or output.

Piece rates - the payment is linked to the level of output produced.

Time rate - payment is dependent on hours worked with no attention paid to quantity of work produced.

Commission - normally involves paying sales personnel a low basic salary that is then topped up based on sales levels.

Candidates may also consider performance-related pay, bonus schemes and profit sharing.

<b>Level 2</b>	Some understanding shown of the payment method(s) identified.	<b>(4-3)</b>
<b>Level 1</b>	One or two payment method(s) named.	<b>(2-1)</b>

**Section A Total [18]**

## Section B

- 2 (a) Calculate the price elasticity of demand for 'Parship crisps' as a result of the price rise from February to March 2009. (4) [4]

$$\begin{aligned}
 \text{PED} &= \frac{\text{Percentage change in quantity demanded}}{\text{Percentage change in price}} && (1) \\
 &= \frac{9/900}{1.03/20.6} = \frac{(-)1.0\%}{5.0\%} && (1) \\
 & && (1) \\
 &= \underline{(-)0.2} && (1)
 \end{aligned}$$

[An answer of 0.2 with no working gains full marks]

Alternative Method

$$\begin{aligned}
 \text{PED} &= \frac{\text{Original price}}{\text{Original quantity}} \times \frac{\text{Change in quantity}}{\text{Change in price}} && (1) \\
 & && (1) \\
 &= \frac{20.6}{900} \times \frac{(-)9}{1.03} && (1) \\
 &= \frac{(-)185.4}{927} && (1) \\
 &= \underline{(-)0.2} && (1)
 \end{aligned}$$

- (b) Discuss the factors which HCL might consider in setting the prices of its crisps.

[16]

We are told that 'healthier' crisps are a fast growing, yet niche market. HCL has some limited monopoly power with this type of product at the moment and the 'better for you' sector of the market is one where HCL has greater market share. Methods such as price skimming or penetration pricing may be suggested. However, the latter may be less likely in such a niche market, especially one where the product is quite aspirational and has a quality image. There is also evidence from Table 1 and part (a) that parsnip and beetroot crisps are price inelastic (OFR).

Price skimming is most typically used where a product is first introduced and a product has a certain appeal (health in this case) to certain consumers. This is only possible while HCL has a dominant position in this market and so maybe it is too late. The increase in the price of parsnip crisps in March certainly had a positive effect on revenue and backs up the earlier evidence for beetroot crisps.

Generally, the evidence in Table 1 supports the view that most of HCL's products are price inelastic and so higher prices would work. This also fits in with the image of the more health conscious product and is something that HCL must consider (the holistic approach). However, there is some conflicting evidence as the mixed root vegetable crisps exhibit a price elastic demand. This may be due to the different packet size or the nature of a 'mixed' product. What this does maybe emphasise, is that each product needs separate consideration when it comes to pricing policy (an evaluative position, if candidates consider it).

However, with the recent entry into the market of Tesco's own brand and Walkers (Red Sky) HCL will have to be careful charging too high a price. Both of these competitors are more interested in lower prices and have the power to source a product at a much lower cost. But does HCL need to worry about these competitors- does a customer of premium crisps want to buy from Tesco or Walkers?

In summary, the premium nature, health conscious and price elasticity point to higher prices, but growing competition points to lower prices.

Better answers will weigh up the relevant arguments involved, only considering pricing factors appropriate to HCL. They may also make good use of the data in Table 1 recognising that even for HCL, different products may need different factors considered.

Also, the overall company objectives may need to be considered.

<b>Level 4</b>	Some evaluation shown by <b>supporting any judgement made</b> about the factors affecting pricing that HCL may need to consider.	<b>(16-12)</b>
<b>Level 3</b>	Some analysis of appropriate pricing factors that could be relevant for HCL when setting its prices, with specific reference to the context.	<b>(11-7)</b>
<b>Level 2</b>	Some understanding shown of factors that may affect price. No context is required.	<b>(6-3)</b>
<b>Level 1</b>	Some knowledge of pricing factors.	<b>(2-1)</b>

**3 With reference to Figure 3, recommend changes that could be made to the organisational structure of HCL in order to improve performance. [16]**

HCL has grown steadily and now has 35 employees. However, it has a very flat structure and has very little in the way of management with just three managers. Although this may mean that decision-making can be carried out quickly, there is a danger that too much power is in the hands of too few people. A flat structure can also mean managers are too busy and have insufficient time to carry out all of their duties.

The main concern would be the fact that Martin, the Technical Manager, has a huge span of control, with all the associated problems. He appears to run the actual factory single-handedly. He is in charge of 24 production workers as well as the engineer, quality control person and cleaners. What happens if he is away or busy? Maybe there is a need to organise the production workers into teams, with supervisors who report to Martin. This would reduce Martin's workload and give some responsibility to others that would be motivational and rewarding. At the moment, the production staff has no clear promotional structure to aim for. There is also room for confusion with regards to the cleaners as they appear to answer to both Martin and the office staff. Who is actually in charge of them?

Also, even though Martin has so much responsibility, he does not have a place on the Executive Committee and so how do Richard, Nancy and Sam know about the impact of any decisions they make on the workforce? If Martin was on the Executive Committee he could better represent the views of the workforce and comment on how the production process may be affected by decisions that are made at this level. At present, the workers, who are vital to the firm's success, may feel ignored under this structure. So much for Richard wanting to "retain the feel of a family business".

Richard, although having the firm's best interests at heart, needs to let go of some of the day-to-day running of the business. This is not unusual to find in a business that has begun in the way that HCL has, but as the firm expands he needs to adopt a more traditional organisational structure. Promoting Martin and putting in another layer of supervision below him will help to achieve this.

As HCL grows it may also be necessary to very soon give Sam some help on the Marketing and Sales side of the business. Again, it appears that Richard is his assistant as well as his boss! Not a very satisfactory situation.

A more decentralised structure is going to become more necessary as time passes and the business becomes larger. The problem is that Richard appears to be a rather autocratic leader who wants to keep control of 'his' business. It may be difficult to decentralise decision making with Richard's 'control freak' mentality.

Any reasonable suggestion, given the context available, should be rewarded. Consideration needs to be made of the relative advantages and disadvantages of any suggestions made with specific reference to the context facing HCL. Any answers that are clearly strategic should be rewarded at Level 4.

<b>Level 4</b>	Some evaluation shown by assessing the appropriateness of changes that HCL could make and why they may or may not work in this specific context.	<b>(16-12)</b>
<b>Level 3</b>	Some analysis of change(s) that HCL could make with specific reference to the context available.	<b>(11-7)</b>
<b>Level 2</b>	Some understanding shown of how organisational structure may be improved and/or weaknesses in the current arrangement at HCL. No context is required.	<b>(6-3)</b>
<b>Level 1</b>	Some knowledge of organisational structure.	<b>(2-1)</b>

- 4 Evaluate the usefulness to HCL of investment appraisal techniques to help decide whether to install the new IT system in its existing factory. (Lines 70-72).**

[16]

Investment appraisal helps a firm to decide whether an investment is feasible. The two main methods are payback and accounting rate of return.

Although we know the payback period of the IT system is about 4 years and the ARR is 10.3%, we have nothing similar to compare these against. Although ARR is above the current market rate of interest, we do not know how it compares against other similar projects and whether HCL has a company policy on a minimum rate before a project is considered. The payback period seems a little long for a business that has changed and grown so much in just 5 years, especially as we are considering an IT project, where things change even more quickly. Is it possible to know how long this project lasts; as if it needs replacing too soon then it is not a viable option? The usefulness of payback also depends on how quickly demand changes, again a problem given the volatility in the snack market with the current health concerns as well. Payback takes no account of when most of the cash inflows occur or the value of money over time.

ARR also ignores the value of money over time or when the inflows arrive. If most of the inflows occur in later years, then the risks are increased as HCL may not benefit in time.

The alternative proposal to increase quality control staff appears to be much more attractive when looking at payback but less so when considering ARR. Herein lies the major issue with investment appraisal; the relative impact of each of the projects on other issues cannot be included. For example, increased use of IT may have a negative impact on the workforce that leads to lower motivation and higher labour turnover so that cash outflows increase. On the other hand, fewer workers may be required, so in the long term staff costs will fall. Quality improvements are likely to occur thanks to IT. Have these been included in the calculations?

The investment in quality control will be of a lower magnitude and so will likely have less impact on debt levels and, hence, Sam's concerns about launching new products. This appears to be vital to HCL as it cannot compete with Tesco's and Walkers in the other 3 Ps of the marketing mix.

Ultimately, investment appraisal techniques are only as useful as the data used in the estimates. Does HCL have any experience of this sort of procedure that will increase the reliability of the current data? Nancy is on her own, without the kind of accounting and statistical support that other larger firms would have.

<b>Level 4</b>	Some evaluation shown by concentrating on the extent to which investment appraisal techniques may be useful or not for HCL.	<b>(16-12)</b>
<b>Level 3</b>	Some analysis of how investment appraisal techniques can be used in decision-making, with specific reference to the context of HCL.	<b>(11-7)</b>
<b>Level 2</b>	Some understanding shown of investment appraisal techniques. No context is required.	<b>(6-3)</b>
<b>Level 1</b>	Some knowledge of investment appraisal techniques.	<b>(2-1)</b>

- 5\* **Richard Hoiles is proposing introducing a dedicated production line in the new factory. (Lines 39-41).**

**Discuss the advantages and disadvantages to HCL of this proposal.**

**[20]**

Advantages of HCL switching to a dedicated production line may include:

- lower unit costs - higher levels of production that usually come from dedicated production lines should mean lower costs. Less time will need to be spent having to change over the vegetables and flavouring. Presumably, it is easier and quicker to only have to choose between adding and not adding the salt flavouring. However, some time will still need to be spent changing bag sizes;
- increased levels of output - high volume production is associated with a more dedicated production system. It appears from Table 1 that the Ready Salted and Unflavoured potato crisps make up a large proportion of HCL's sales, although it is still a relatively small producer. We are told that one of the reasons for this proposal is the growing popularity of the non-potato crisps, but how likely is this trend to continue in the future? As a small firm, HCL may be less able to make these predictions accurately. Once any move to a dedicated production line has happened, it will be difficult and expensive if there is a need to make other products on this dedicated line;
- high level of standardisation - although this is a standard argument for a production line, this is actually not really an advantage for HCL. The current smaller batches give a variety to the curl and thickness of the crisps which would be lost under continuous production. As this appears to be a USP for HCL, it may lose its custom. HCL cannot compete with a homogenised product, as companies Walkers can easily undercut it;
- less skilled workers required - any problems of finding multi-skilled workers will be reduced as workers will have fewer tasks to carry out.

Disadvantages include:

- lack of worker motivation - there will be less variety of jobs for the workers to do. At least at the moment, although the line is fairly automated, the workers have to change over things on a regular basis, eg vegetables, flavouring, bags;
- inflexible production - HCL has seen tremendous growth/change in its first 5 years and there is no reason to expect that this will change. Moving even part of the firm's production to a dedicated line may be too restricting in a fast-moving market where HCL is a very small player. It will seriously harm their current USP of non-standardised crisps that are obtained from smaller batches. If HCL do not have this, how can it compete in the larger market- it lacks the financial power to compete with Tesco and Walkers on price and promotion and HCL do not want to get into a price war which it cannot win and will undermine the premium image.

Ultimately, any decision will be based on the degree of importance attached to each point, given the situation that HCL finds itself in now and in the future.

<b>Level 4</b>	Some evaluation shown by weighing up the advantages and/or disadvantages, to make a justified judgement of introducing a <u>dedicated</u> production line at HCL. 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 may be few, if any, errors of spelling, punctuation and grammar.	<b>(20-15)</b>
<b>Level 3</b>	Some analysis of the advantages and disadvantages of introducing a <u>dedicated</u> production line at HCL. Relatively straight forward 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.	<b>(14-9)</b>
<b>Level 2</b>	Some understanding shown of pros and/or cons of the proposed new dedicated production line. 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.	<b>(8-4)</b>
<b>Level 1</b>	Some knowledge of the issues concerning the new line and/or knowledge of production methods that are or could be used. 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.	<b>(3-1)</b>

# Grade Thresholds

Advanced GCE Business Studies (H030 H430)  
June 2009 Examination Series

## Unit Threshold Marks

Unit		Maximum Mark	A	B	C	D	E	U
F291	Raw	60	44	40	36	33	30	0
	UMS	80	64	56	48	40	32	0
F292	Raw	90	56	50	44	39	34	0
	UMS	120	96	84	72	60	48	0

## Specification Aggregation Results

Overall threshold marks in UMS (ie after conversion of raw marks to uniform marks)

	Maximum Mark	A	B	C	D	E	U
<b>H030</b>	200	160	140	120	100	80	0

The cumulative percentage of candidates awarded each grade was as follows:

	A	B	C	D	E	U	Total Number of Candidates
<b>H030</b>	10.7	28.7	50.3	68.8	84.0	100.0	4896

## 4896 candidates aggregated this series

For a description of how UMS marks are calculated see:

[http://www.ocr.org.uk/learners/ums\\_results.html](http://www.ocr.org.uk/learners/ums_results.html)

Statistics are correct at the time of publication.

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