



**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**Advanced Subsidiary GCE**

**BUSINESS STUDIES**

**F291 MS**

Unit F291: An Introduction to Business

**Specimen Mark Scheme**

The maximum mark for this paper is **60**.

**QUALITY OF WRITTEN COMMUNICATION**

**Quality of written communication is assessed in questions that are indicated accordingly (\*). Marks should be awarded for spelling, punctuation and grammar, use of appropriate form and style of writing, and for organising work clearly and coherently.**

| Question Number                       | Answer   | Marks                                  |  |                   |                                       |                          |  |                      |                                       |                                    |   |                                       |   |     |
|---------------------------------------|--|--|--|-------------------|---------------------------------------|--------------------------|--|----------------------|---------------------------------------|------------------------------------|---|---------------------------------------|---|-----|
| 1                                     | <p><b>Identify <u>three</u> stakeholders of Marks and Spencer plc (M&amp;S plc).</b></p> <p><i>Any <b>three</b> relevant stakeholders e.g. Shareholders, Customers, Suppliers, Government, Potential Investors ARA</i></p> <p><b>Level 1</b><br/>Relevant stakeholders identified/stated x 1 mark each</p>   | [3]                                    |  |                   |                                       |                          |  |                      |                                       |                                    |   |                                       |   |     |
| 2                                     | <p><b>Analyse <u>two</u> methods M&amp;S plc could have used to carry out its research on ethical trading.</b></p> <p><i>Any relevant method such as questionnaires or surveys, consumer panels, interviews. Development of methods may be for example by some indication of field research techniques to provide primary data or indication of costs, time spans, resources required etc.</i></p> <p><b>Level 3</b><br/>Analysis demonstrated by considering the research methods used</p> <p><b>Level 2</b><br/>Method(s) explained/applied to the business</p> <p><b>Level 1</b><br/>One or two method(s) identified/stated</p>   | <p>[5-6]</p> <p>[3-4]</p> <p>[1-2]</p> |  |                   |                                       |                          |  |                      |                                       |                                    |   |                                       |   |     |
| 3(a)                                  | <p><b>State <u>three</u> features of a public limited company such as M&amp;S plc.</b></p> <table border="0" data-bbox="375 1213 1195 1661"> <tr> <td><i>Limited Liability</i></td> <td><i>Shares traded on the Stock Exchange</i></td> </tr> <tr> <td><i>Continuity</i></td> <td><i>Minimum share issue of £50,000</i></td> </tr> <tr> <td><i>Legal personality</i></td> <td><i>Divorce of ownership from control</i></td> </tr> <tr> <td><i>Two directors</i></td> <td><i>Regulated by the Companies Act</i></td> </tr> <tr> <td><i>Publish report and accounts</i></td> <td><i>Memorandum and Articles of Association</i></td> </tr> <tr> <td><i>Shareholders receive dividends</i></td> <td><i>Generally large – issues around economies of scale</i></td> </tr> </table> <p><b>Level 1:</b> Relevant features identified/stated x 1 mark each</p> | <i>Limited Liability</i>               | <i>Shares traded on the Stock Exchange</i> | <i>Continuity</i> | <i>Minimum share issue of £50,000</i> | <i>Legal personality</i> | <i>Divorce of ownership from control</i> | <i>Two directors</i> | <i>Regulated by the Companies Act</i> | <i>Publish report and accounts</i> | <i>Memorandum and Articles of Association</i> | <i>Shareholders receive dividends</i> | <i>Generally large – issues around economies of scale</i> | [3] |
| <i>Limited Liability</i>              | <i>Shares traded on the Stock Exchange</i>   |  |  |                   |                                       |                          |  |                      |                                       |                                    |   |                                       |   |     |
| <i>Continuity</i>                     | <i>Minimum share issue of £50,000</i>  |  |  |                   |                                       |                          |  |                      |                                       |                                    |   |                                       |   |     |
| <i>Legal personality</i>              | <i>Divorce of ownership from control</i>   |  |  |                   |                                       |                          |  |                      |                                       |                                    |   |                                       |   |     |
| <i>Two directors</i>                  | <i>Regulated by the Companies Act</i>  |  |  |                   |                                       |                          |  |                      |                                       |                                    |   |                                       |   |     |
| <i>Publish report and accounts</i>    | <i>Memorandum and Articles of Association</i>  |  |  |                   |                                       |                          |  |                      |                                       |                                    |   |                                       |   |     |
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| Question Number | Answer   | Marks  |
|-----------------|--|--|
| 3(b)*           | <p><b>Evaluate possible sources of finance that M&amp;S plc could use for the refurbishment of its stores.</b></p> <p><i>Is there a need for long or shorter long term sources of finance? Consideration of the different sources of finance such as selling of new shares, leasing, loans, debentures, retained profits. Also shorter term examples such as sale of assets, short term loans, leasing (e.g. for equipment) etc may be discussed. How long is the programme of refurbishment planned to take? Will this have an influence on the time period that the money is required for? Some discussion of the relative costs, advantages and disadvantages and suitability for such as project. Is the firm vulnerable to takeover and will that have an influence on the choice of finance?</i></p> <p><b>Level 4</b><br/>Evaluation of the possible sources of finance and their relative suitability. 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.</p> <p><b>Level 3</b><br/>Analysis demonstrated by considering the implications of the price cuts. 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.</p> <p><b>Level 2</b><br/>Understanding/application of concepts involved demonstrated. 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>Level 1</b><br/>Appropriate concepts and issues identified. 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> | <p>[11-14]</p> <p>[7-10]</p> <p>[4-6]</p> <p>[1-3]</p> |



| Question Number | Answer  | Marks                                    |
|-----------------|---|--|
| 5(a)            | <b>Explain <u>two</u> corporate objectives M&amp;S plc might have.</b>  |  |
| 5(b)*           | <p><i>Any relevant corporate objectives related to areas such as increasing profit, increasing sales – (domestic and international markets), expansion, market share, return on investment, survival, corporate social responsibility.</i></p> <p><i>Development of points may for example be by reference to figures from the text.</i></p> <p><b>Level 2</b><br/>Corporate objective(s) explained/applied to the business</p> <p><b>Level 1</b><br/>One or two corporate objective(s) identified/stated</p> <p><b>Discuss why the corporate objectives of M&amp;S plc may change over time.</b></p> <p><i>Consideration of the changes that the M&amp;S plc may face and how it alters or adapts its objectives to respond to factors such as:</i></p> <ul style="list-style-type: none"> <li>• <i>Changes in the nature of the market</i></li> <li>• <i>The influence of economic issues on the business</i></li> <li>• <i>Responding to competition</i></li> <li>• <i>Views of stakeholders may change/different stakeholder groups become more dominant at different times</i></li> <li>• <i>The impact of growth/expansion on objectives</i></li> <li>• <i>Consideration of demographic, social, cultural, moral and ethical changes on M&amp;S plc and how it must adapt its objectives in the light of these issues</i></li> <li>• <i>Dealing with changes in the law</i></li> <li>• <i>Responding to perceived or real threats to the business</i></li> <li>• <i>Dealing with poor planning/poor management decisions</i></li> </ul> <p><i>Some consideration of what happens if the business has set poor objectives or if it has not achieved the objectives it has set or even the implications if it does not change its objectives at all. Possible weighing up of the impact of time - which objectives are likely to change and which are more likely to sustain for longer periods of time.</i></p> <p><b>Level 4</b><br/>Evaluation of the changing nature of the objectives of the business<br/>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.</p> | <p>[3-4]</p> <p>[1-2]</p> <p>[14-18]</p> |

| Question Number                | Answer   | Marks  |
|--------------------------------|--|--|
| <p><b>5(b)*<br/>cont'd</b></p> | <p><b>Level 3</b><br/>Analysis demonstrated by considering the implications of changing<br/>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.</p> <p><b>Level 2</b><br/>Understanding/application of concepts involved demonstrated in context<br/>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>Level 1</b><br/>Appropriate concepts and issues identified<br/>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> | <p><b>[9-13]</b></p> <p><b>[5-8]</b></p> <p><b>[1-4]</b></p> |
|                                | <p><b>Paper Total</b></p>  | <p><b>[60]</b></p>   |

**Assessment Objectives Grid (includes QWC)**

| <b>Question</b> | <b>AO1</b> | <b>AO2</b> | <b>AO3</b> | <b>AO4</b> | <b>Total</b> |
|-----------------|------------|------------|------------|------------|--------------|
| <b>1</b>        | 3          |            |            |            | <b>3</b>     |
| <b>2</b>        | 2          | 2          | 2          |            | <b>6</b>     |
| <b>3(a)</b>     | 3          |            |            |            | <b>3</b>     |
| <b>3(b)*</b>    | 3          | 3          | 4          | 4          | <b>14</b>    |
| <b>4(a)</b>     | 2          |            |            |            | <b>2</b>     |
| <b>4(b)</b>     | 2          | 4          | 4          |            | <b>10</b>    |
| <b>5(a)</b>     | 2          | 2          |            |            | <b>4</b>     |
| <b>5(b)*</b>    | 4          | 4          | 5          | 5          | <b>18</b>    |
|                 |            |            |            |            |              |
| <b>Totals</b>   | <b>21</b>  | <b>15</b>  | <b>15</b>  | <b>9</b>   | <b>60</b>    |

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