



**Monday 20 January 2014 – 1.30 pm**

**LEVEL 4 CERTIFICATE IN MANAGEMENT CONSULTING**

**10331/05 Unit 5 Business environment, structure and governance**

**MARK SCHEME**

**Duration: 1 hour**

**MAXIMUM MARK 50**

**DRAFT**

Version: **4** Last updated: **04/12/2013**

**(FOR OFFICE USE ONLY)**

**This document consists of 13 pages**

**PREPARATION FOR MARKING ON-SCREEN**

1. Make sure that you have accessed and completed the relevant and training packages for on-screen marking: *scoris assessor Online Training* and the *OCR Essential Guide to Marking*.
2. Make sure that you have read and understood the Instructions for On-Screen Marking and the mark scheme and the question paper for this unit. These are posted on the RM Cambridge Assessment Support Portal <http://www.rm.com/support/ca>
3. Log-in to scoris and mark the **required number** of practice responses and the **required number** of standardisation responses.

**PREPARATION FOR PAPER BASED MARKING**

1. Make sure that you have accessed and completed the relevant training for paper based marking.
2. Make sure that you have read and understood the Instructions for Specialist Marking and the mark scheme and the question paper for this unit.
3. Before the Standardisation meeting you must mark at least 10 scripts from several centres. Use **pencil** and follow the **mark scheme**. Bring these **marked scripts** to the meeting

**MARKING INSTRUCTIONS – FOR MARKING ON-SCREEN AND FOR PAPER BASED MARKING**

1. Mark strictly to the mark scheme.
2. Marks awarded must relate directly to the marking criteria.
3. The schedule of dates is very important. It is essential that you meet the scoris 50% and 100% (traditional 40% Batch 1 and 100% Batch 2) deadlines. If you experience problems, you must contact your Team Leader (Supervisor) without delay.
4. If you are in any doubt about applying the mark scheme, consult your Team Leader by telephone or the scoris messaging system, or by email.
5. Work crossed out:
  - a. where a candidate crosses out an answer and provides an alternative response, the crossed out response is not marked and gains no marks
  - b. if a candidate crosses out an answer to a whole question and makes no second attempt, and if the inclusion of the answer does not cause a rubric infringement, the assessor should attempt to mark the crossed out answer and award marks appropriately.
6. Always check the pages (and additional objects if present) at the end of the response in case any answers have been continued there. If the candidate has continued an answer there then add a tick to confirm that the work has been seen.
7. There is a NR (No Response) option. Award NR (No Response)
  - if there is nothing written at all in the answer space
  - OR if there is a comment which does not in anyway relate to the question (e.g. 'can't do', 'don't know')
  - OR if there is a mark (e.g. a dash, a question mark) which isn't an attempt at the questionNote: Award 0 marks - for an attempt that earns no credit (including copying out the question)
8. The scoris **comments box** is used by your team leader to explain the marking of the practice responses. Please refer to these comments when checking your practice responses. **Do not use the comments box for any other reason.**  
If you have any questions or comments for your team leader, use the phone, the scoris messaging system, or e-mail.

9. For answers marked by levels of response:
- To determine the level** – start at the highest level and work down until you reach the level that matches the answer
  - To determine the mark within the level**, consider the following:

Descriptor	Award mark
On the borderline of this level and the one below	At bottom of level
Just enough achievement on balance for this level	Above bottom and either below middle or at middle of level (depending on number of marks available)
Meets the criteria but with some slight inconsistency	Above middle and either below top of level or at middle of level (depending on number of marks available)
Consistently meets the criteria for this level	At top of level

10. These are the annotations, (including abbreviations), including those used in scoris, which are used when marking
11. Here are the subject specific instructions for this question paper

Subject specific marking instructions that apply across the whole question paper must appear here. These must be compatible with the OCR Marking Instructions above. Include here any instructions for marking when a candidate has infringed the rubric.

## MARK SCHEME

Question	Answer/Indicative content	Marks	Guidance
1	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• Apportioning responsibilities throughout the workforce, and measuring progress towards achieving these, in order that the overall goals of the organisation can be met.</li> </ul> <p>Exemplar response:</p> <p>Eg A systematic and organised approach that apportions responsibilities to the workforce to meet organisational goals <b>(1)</b>.</p>	1	For one mark.
2	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• courtesy</li> <li>• specialist knowledge/expertise</li> <li>• influence</li> <li>• interested party</li> <li>• to make quorate.</li> </ul> <p>Exemplar response:</p> <p>Eg To gain specialist expertise on a particular topic <b>(1)</b>.</p>	2	One mark for each correct identification up to a maximum of two identifications.
3	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• the minimum number of people required to enable a committee to transact business.</li> </ul> <p>Exemplar response:</p> <p>Eg The minimum number of members required to make decisions by committee <b>(1)</b>.</p>	1	For one mark.

Question		Answer/Indicative content	Marks	Guidance
4	a	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• teams</li> <li>• created for specific purpose</li> <li>• only exist for the duration of the project.</li> </ul> <p>Exemplar response:</p> <p>Eg The business creates teams for a specific purpose <b>(1)</b>. Suitable personnel are chosen from across the organisation who then work together for the duration of the project <b>(1)</b>.</p>	2	<p>One mark for a correct identification plus up to two marks for development.</p> <p>Do <b>not</b> award responses which relate to the management of the matrix structure as that is Q4b.</p>

Question		Answer/Indicative content	Marks	Guidance
4	b	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• project managers</li> <li>• temporary jurisdiction</li> <li>• potential conflict with line management</li> </ul> <p>Exemplar response:</p> <p>Eg Each team is lead by a project manager believed to have the skills required for a specific project <b>(1)</b>. The jurisdiction of the project manager is temporary and ends when the project is complete <b>(1)</b>.</p>	2	<p>One mark for a correct identification plus up to two marks for development.</p> <p>Do <b>not</b> award responses which relate to the organisation of the matrix structure as that is Q4a.</p>
5		<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> <li>• automatic/robotics</li> <li>• communication technologies</li> <li>• payment technologies</li> <li>• mobile technologies</li> <li>• control/monitoring systems</li> <li>• performance management systems</li> <li>• capital/labour intensive</li> <li>• remote working</li> <li>• employee work patterns</li> <li>• ethos</li> <li>• empowerment</li> <li>• power culture</li> <li>• control</li> <li>• ownership</li> <li>• forward/backward looking culture.</li> </ul> <p>Exemplar response:</p> <p>Eg Providing senior members of the workforce with mobile technology such as mobile phones, tablets and laptops has created a 24/7 culture in many organisations. Many employees feel obliged to maintain contact with</p>	8	<p><b>Levels of response</b></p> <p><b>Level 2 (5 - 8 marks)</b> Candidate explains how the use of technology within an organisation may affect the culture of the organisation.</p> <p><b>Level 1 (1 - 4 marks)</b> Candidate identifies ways in which the use of technology within an organisation may affect the culture of the organisation.</p>

Question	Answer/Indicative content	Marks	Guidance
	<p>colleagues outside working hours and to log on to check emails even when on holiday. On the face of it the use of such technology appears to enhance the organisational culture, uniting the organisation and promoting greater organisational efficiency <b>(L1)</b>. However, according to Schein the underlying assumptions which together make up the culture of a business are to a large extent unconscious. This would suggest that the impact of issuing senior employees with mobile technologies is far more complex than simply creating a 24/7 culture and the impact on culture may even be negative. Issuing the technology only to senior staff may create a power culture where, whilst feeling important, senior colleagues feel constantly obliged to respond, increasing their anxiety and stress levels. Conversely, other colleagues who have not been issued with technology feel undervalued and overlooked. Both sets of colleagues may harbour unconscious resentment against the organisation which in the long run could undermine the performance of the organisation, rather than enhancing its efficiency <b>(L2)</b>.</p>		
6	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• record keeping</li> <li>• financial monitoring</li> <li>• cash-flow planning</li> <li>• budgetary control</li> <li>• financial accounting</li> <li>• management accounting</li> <li>• dealing with taxation issues</li> <li>• preparing company reports</li> <li>• liaising with auditors</li> <li>• preparing final accounts.</li> </ul> <p>Exemplar response:</p> <p>Eg Controlling company expenditure <b>(1)</b>.</p>	2	One mark for each correct identification up to a maximum of two identifications.



Question	Answer/Indicative content	Marks	Guidance
7	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• offer – a statement without misrepresentation</li> <li>• acceptance – unconditional consent to all terms</li> <li>• intention – both parties intent to be legally bound</li> <li>• capacity – ability/authority to make a contract</li> <li>• legality – within legal parameters</li> <li>• consideration – all parties must offer something in exchange.</li> </ul> <p>Exemplar response:</p> <p>Eg Consideration <b>(1)</b>. All parties must offer something in exchange <b>(1)</b>.</p>	6	<p>One mark for each correct identification up to a maximum of three identifications, plus a further one mark for each of three developments.</p>

Question	Answer/Indicative content	Marks	Guidance
8	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• building restrictions/planning regulations</li> <li>• emissions/pollution</li> <li>• waste disposal</li> <li>• parking restrictions</li> <li>• environmental health</li> <li>• past control</li> <li>• local byelaws/trading restrictions.</li> </ul> <p>Exemplar response:</p> <p>Eg A local authority requires businesses to obtain planning permission for all major external building work <b>(1)</b>. This is a slow and expensive process requiring architectural plans to be submitted for consideration in advance of the commencement of any construction work, inevitably delaying the business project <b>(1)</b>.</p>	2	One mark for a correct identification plus a further one mark for explanation.
9	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> <li>• affect on imports</li> <li>• affect on exports</li> <li>• affect on domestic market</li> <li>• limited impact, if no international trade</li> <li>• increased volatility/uncertainty of rates of exchange</li> <li>• close monitoring of exchange rates is necessary</li> <li>• difficult long term planning</li> <li>• limit decision-making to short term</li> <li>• greater reliance on contingency planning</li> <li>• no impact, if there is no direct or indirect trade.</li> </ul>	10	<p><b>Levels of response</b></p> <p><b>Level 2 (6 - 10 marks)</b> Candidate explains how changes in exchange rates may affect business activity.</p> <p><b>Level 1 (1 - 5 marks)</b> Candidate identifies how changes in exchange rates may affect business activity.</p>

Question	Answer/Indicative content	Marks	Guidance
	<p>Exemplar response:</p> <p>Eg A strong pound makes imports cheaper. This is likely to encourage a business to source its raw materials from abroad so as to reduce variable costs of production <b>(L1)</b>. However, a strong pound will also mean that finished goods are available more competitively than domestic goods and, with the increasing use of the Internet, many households will decide to buy from abroad, rather than from UK businesses. So, while production costs may be lower for a UK business its market share may decline as end users source products from abroad. Additional funds may be needed to be spent on marketing in order to regain this market share <b>(L2)</b>. On the other hand a weak pound will make the UK business' products seem relatively cheap to those living abroad <b>(L1)</b>. In this situation UK businesses are likely to seek contracts abroad and increase their reliance on export markets. The overall effect on business activity will depend on whether the business is a net importer or net exporter and the degree of volatility in the market in which it operates <b>(L2)</b>.</p>		
10	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• shareholders</li> <li>• suppliers/creditors</li> <li>• customers</li> <li>• trade unions</li> <li>• financiers/lenders</li> <li>• advisers – accountancy firm/solicitor practice.</li> </ul> <p>Exemplar response:</p> <p>Eg The bank with which the company accounts are held <b>(1)</b>.</p>	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Do <b>not</b> accept banks/solicitors/accounts in general – the response must show a connection to the company.</p>

Question	Answer/Indicative content	Marks	Guidance
11	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• managers' unique role – conciliation/mediation between parties</li> <li>• invite representatives of influential stakeholder groups to meetings</li> <li>• timings of announcements</li> <li>• confidentiality of decision-making process</li> <li>• monitor stakeholder opinion</li> <li>• respond and communicate with stakeholder groups</li> <li>• decision-making and resource allocation to maximise stakeholder benefit</li> <li>• conflict resolution – discussion/meetings, negotiation, public relations, media</li> <li>• conflict management – incentive systems, public reports, third-party review</li> <li>• use contractual agreements where necessary.</li> </ul> <p>Exemplar response:</p> <p>Eg When considering major changes, for example potential relocation, the company could invite all major stakeholder groups to a 'public' meeting <b>(1)</b>. By doing this the company has the opportunity to not only explain its current position but also to listen to the concerns of stakeholders <b>(1)</b>.</p>	4	One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.

Question	Answer/Indicative content	Marks	Guidance
12	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> <li>• independent</li> <li>• unbiased</li> <li>• not part of executive management team</li> <li>• enhance independence of directors</li> <li>• improve accountability and transparency</li> <li>• greater assurance of the integrity of financial reporting</li> <li>• in line with best practice.</li> </ul> <p>Exemplar response:</p> <p>Eg The UK Corporate Governance code recommends the appointment of non-executive directors in all public limited companies. Non-executive directors are not part of the executive management and are therefore able to offer a higher degree of objectivity and independence when ‘monitoring’ executive activity and contributing to the development of strategy <b>(L1)</b>. Non-executive directors are custodians of the governance process playing a key role in challenging strategy and scrutinising performance, ensuring risk management is robust and remuneration appropriate. The inclusion of non-executive directors on the board shows that the company has nothing to hide and seeks to carry out its business with due regard for current legislation and good practice. This enhanced independence of the board of directors gives greater assurance to shareholders, and other stakeholders, of the integrity and transparency of the company. However, since a non-executive director is permitted to be a shareholder, and if they hold a large number of shares in the company this position could be compromised. <b>(L2)</b>.</p>	8	<p><b>Levels of response</b></p> <p><b>Level 2 (5 – 8 marks)</b> Candidate explains why the board of a public limited company should include non-executive directors.</p> <p><b>Level 1 (1 - 4 marks)</b> Candidate identifies why the board of a public limited company should include non-executive directors.</p>