

Monday 19 January 2015

Level 4 Certificate in Management Consulting – 10335

Unit 5 Business environment, structure and governance

MARK SCHEME

Duration: 1 hour

MAXIMUM MARK 50

FINAL

**Version: 5 Last updated: 28/01/2015 – Post
Standardisation Version**

(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

Annotation	Meaning of annotation

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.

12. Here is the mark scheme for this question paper.

MARK SCHEME

Question		Answer/Indicative content	Mark	Guidance
1		<p>Indicative content:</p> <ul style="list-style-type: none"> • owned by members • controlled by members • operated for the benefit of members • all profits go to members • profit allocation in proportion to amount of business. <p>Exemplar response:</p> <p>Eg A cooperative is business which is owned by its members (1) and run for their benefit (1).</p>	2	<p>Up to two marks.</p> <p>Accept answers relating to retail or worker cooperatives.</p>

Question		Answer/Indicative content	Mark	Guidance
2		<p>Indicative content:</p> <ul style="list-style-type: none"> • treat employees fairly • open and honest selection and recruitment procedures • go beyond the law • pay above minimum wage • avoid using child labour • provide good working conditions • use non-discriminatory practices worldwide. <p>Exemplar response:</p> <p>Eg A business could pay the living wage instead of the minimum wage (1). This would ensure that the workers have a reasonable standard of living (1).</p>	4	<p>One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two explanations.</p> <p>Do not award ethical trading – the question refers to employment practices.</p> <p>Do not award legalities.</p>

Question	Answer/Indicative content	Mark	Guidance

Question	Answer/Indicative content	Mark	Guidance
3	<p>Indicative content:</p> <ul style="list-style-type: none"> • directors • managers • supervisors • workers/employees/operators. <p>Exemplar response:</p> <p>Eg Company executives (1).</p>	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Do not award connected stakeholders.</p> <p>Do not award shareholders as they are an external stakeholder group.</p> <p>Must be groups rather than individual stakeholders.</p>

Question	Answer/Indicative content	Mark	Guidance
4	<p>Indicative content:</p> <ul style="list-style-type: none"> • AGM/shareholders' meetings • polls • Competitions • public meetings • focus groups • interviews • monitor electronic/traditional media. <p>Exemplar response:</p> <p>Eg The board of directors could listen to the feedback voiced by the shareholders who attend the AGM (1). This would allow the directors to gauge the strength of the shareholder feelings (1) and give them the opportunity to seek clarification, if necessary (1).</p>	6	<p>One mark for each correct identification up to a maximum of two identifications, plus up to two further marks for each of two developments.</p> <p>Accept development by way of description or explanation.</p> <p>Do not award any type of questionnaire as this is excluded by the question.</p> <p>For maximum marks, the development must relate specifically to external stakeholders.</p>

Question		Answer/Indicative content	Mark	Guidance
5		<p>Indicative content:</p> <ul style="list-style-type: none"> • based on prescribed status and authority relationships • the officially designated channels of communication as shown on the organisation chart of a business. <p>Exemplar response:</p> <p>Eg The formal organisational structure of an organisation is the recognised chain of command by which communication within the organisation should pass (1).</p>	1	<p>For one mark.</p> <p>Do not award 'hierarchical' – formal organisations can be tall or flat.</p>

Question		Answer/Indicative content	Mark	Guidance
6		<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • formal structure • authority and status relationships • responsibility • accountability • channels of communication • span of control • delegation • communication • responsiveness to change • empowerment • ownership • culture • power differentials. 	8	<p>Levels of response</p> <p>Level 2 (5 – 8 marks) Candidate explains how the structure of a hierarchical organisation is likely to differ from that of a flat organisation.</p> <p>Level 1 (1 – 4 marks) Candidate identifies features of hierarchical and/or flat organisational structures.</p>

Question			Answer/Indicative content	Mark	Guidance
			<p>Exemplar response:</p> <p>Eg A hierarchical organisation has a formal structure based on many levels of authority. The structure is pyramid shaped. Those with the highest status are at the top of the pyramid and direct those at lower levels. A flat organisation has far fewer levels with no middle management between workers and executives (L1). It follows, therefore, that in a flat structure employees work closely with executives and are far more involved in decision making. This is believed to motivate employees and improve productivity, especially if workers are highly skilled and fully trained. However in large organisations it is much harder to operate in this way because the span of control of the executives would be too large. Hierarchical structures are able to monitor and control a large workforce far more effectively than a flat structure. However this multi-tiered system leads to remote decision making and the potential alienation of the workforce. An organisation with a hierarchical structure is, therefore, far less flexible and likely to be slower to respond to change than an organisation with a flat structure (L2).</p>		

Question			Answer/Indicative content	Mark	Guidance
7			<p>Indicative content:</p> <ul style="list-style-type: none"> • nature of work • traditional/progressive • size of sector • power of sector • historic norms • sector expectations • organisational structure 	4	<p>One mark for each correct point of explanation up to a maximum of four such points, but allow development.</p> <p>Award examples by way of explanation.</p>

Question			Answer/Indicative content	Mark	Guidance
			<ul style="list-style-type: none"> • decision-making structure • level of risk • speed of feedback • technology used • performance management systems. <p>Exemplar response:</p> <p>Eg The sector in which a business operates may affect the culture of the organisation because businesses usually conform to the historic norms within that sector (1). These historic norms are likely to have developed for pragmatic reasons due to the nature of the work involved and the type of personnel employed (1). For example the IT sector which is project orientated and depends on teamwork to get results usually lends itself to a task culture (1). In contrast the retail sector which relies heavily on the performance of individuals and is judged by results is more likely to develop a power culture (1).</p>		

Question			Answer/Indicative content	Mark	Guidance
8			<p>Indicative content:</p> <ul style="list-style-type: none"> • turn inputs into outputs • change the form • make things to sell. <p>Exemplar response:</p> <p>Eg The primary role of the production function is to</p>	1	For one mark.

			manufacture finished goods (1).		
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Question		Answer/Indicative content	Mark	Guidance
9		<p>Indicative content:</p> <ul style="list-style-type: none"> • products must be safe/not cause injury or harm • research and development • product testing • quality control • costs – time/money/opportunity • legal action. <p>Exemplar response:</p> <p>Eg The Consumer Protection Act requires manufacturers to make products which, during normal use, do not cause harm (1). The production function needs to produce goods which are safe (1) and to ensure this the business should instigate rigorous quality control procedures (1).</p>	3	<p>One mark for a correct identification, plus up to a further two marks for development.</p>

Question		Answer/Indicative content	Mark	Guidance
10		<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • business cycle – peaks, troughs, boom, bust • position within cycle • cyclical fluctuations • economic growth/recession • unemployment • inflation • exchange rates • affect on functional areas • affect on strategy 	10	<p>Levels of response</p> <p>Level 2 (6 – 10 marks) Candidate explains how the business cycle may affect the activities of a business.</p> <p>Level 1 (1 – 5 marks) Candidate identifies features of the business cycle.</p> <p>Accept answers by way of explanation.</p>

Question	Answer/Indicative content	Mark	Guidance
	<ul style="list-style-type: none"> • affect on goals • operational issues • difficult long term planning • greater reliance on contingency planning. <p>Exemplar response:</p> <p>Eg While the level of economic growth in the UK is generally on an upward trend, the economy tends to go through a cyclical trading pattern with periods of boom and recession. A successful business needs to monitor these upward and downward movements in Gross Domestic Product and adjust its activities accordingly (L1). In periods of recession the business needs to acknowledge that the spending power of the consumer is diminished. The business should have a contingency plan in place to deal with the recessionary phase of the cycle. A manufacturing business may need to temporarily retrench its position, curtailing production and laying off workers, where necessary, to survive the hard times. Likewise, a retail business may need to move down market, lower its prices or change its marketing strategy. Conversely, in a period of economic boom a business needs to grow and expand. If it remains stagnant it is likely to lose out to its competitors (L2).</p>		

Question		Answer/Indicative content	Mark	Guidance
11	a	<p>Indicative content:</p> <ul style="list-style-type: none"> • procedures to ensure the company is run for the benefit of its shareholders/stakeholders • principal-agent relationship – managing divergent interests • how an organisation is controlled • encourages transparency/accountability. <p>Exemplar response:</p> <p>Eg A framework which tries to ensure that a company is operated in the best interests of its shareholders (1).</p>	1	For one mark.

Question		Answer/Indicative content	Mark	Guidance
11	b	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • UK Corporate Governance Code • non-executive directors • remuneration committees • nomination committees • audit committees • risk committees • separate CEO and Chairman • enhance independence of directors • strengthen control of shareholders • accountability/transparency • external scrutiny. <p>Exemplar response:</p> <p>Eg One of the recommendations in the UK Corporate Governance Code is that an audit committee should form an integral part of a company's structure. The audit committee would approve the appointment of an external auditor and ensure that the financial affairs of the company are rigorously examined (L1). The external scrutinising body must vouch that the contents of the financial reports are a true and accurate reflection of the company's position. This independent scrutiny increases the transparency of the company and enhances the public trust in the financial statements which the company produces (L2).</p>	8	<p>Levels of response</p> <p>Level 2 (5 – 8 marks) Candidate explains how implementing best practice in corporate governance should provide increased assurances regarding the integrity of a company's financial reports.</p> <p>Level 1 (1 – 4 marks) Candidate identifies best practice in corporate governance or benefits of following best practice in corporate governance.</p>