OCR
Oxford Cambridge and RSA

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Level 4 Certificate in Management Consulting 10331

Unit 5 Business environment, structure and governance

MARK SCHEME

Duration: 1 hour

MAXIMUM MARK   50

DRAFT
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(FOR OFFICE USE ONLY)

This document consists of 15 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 question
    Note: 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.

For answers marked by levels of response:
     a.   **To determine the level** – start at the highest level and work down until you reach the level that matches the answer
     b.   **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

9.   These are the annotations, (including abbreviations), including those used in scoris, which are used when marking

Annotation	Meaning of annotation

10.   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.

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

Question	Answer/Indicative content	Mark	Guidance

Question	Answer/Indicative content	Mark	Guidance
1	Indicative content: • access from work premises • no need to travel • access worldwide • convenience • no need to queue/make appointments • 24 hour availability • time saving • cost saving • easier to monitor transactions and balances.	2	**One** mark for each correct identification up to a maximum of **two** identifications. **Must** be benefits.

Question	Answer/Indicative content	Mark	Guidance

2	Indicative content:
	• as described
	    o goods should correspond with description
	    o goods must match trial product/sample
	    o goods must be the same as ordered.
	• fit for purpose
	    o goods must work
	    o good must be able to be used for the purpose they were designed
	    o goods must be able to be used for any specific purpose mentioned at the point of sale.
	• satisfactory quality
	    o goods must last for a reasonable length of time
	    o goods must be of an acceptable standard
	    o quality expected should correlate with price paid.
	• remedy system
	    o entitled to a refund for faulty item reported within 30 days
	    o if beyond 30 days have to give retailer the
		6	**One** mark for a correct identification to a maximum of **three** identifications, plus a further one mark for each of **three** developments.
			
			Accept 'merchantable quality' for 'satisfactory quality'.
			
			Do **not** award responses about supplying a service. Although the Consumer Rights Act makes provision for the supplying of a service the questions asks for provisions with which a retailer must comply.

Question			Answer/Indicative content	Mark	Guidance
			chance to attempt a repair or replacement 　　○　entitled to full refund or price reduction after one failed attempt to repair or replace 　　○　right to request a second repair if do not want a refund or price reduction 　　○　no deductions to refund for first six months (with the exception of motor vehicles) ・　proof of defect 　　○　30 days to 6 months – assumed fault present from purchase date, unless retailer can prove otherwise 　　○　6 months or more – customer needs to prove product was faulty at time of purchase ・　delivery rights 　　○　the retailer is responsible for the goods until delivered (any delivery firm is not liable to the customer) 　　○　delivery within 30 days or right to cancel order for full refund ・　price of goods can be challenged for fairness ・　digital content covered (buright to reject within 30 days does not apply) ・　perishable goods (not expected to last 30 days, expected to last to expiry date) ・　contract with retailer Exemplar response: Eg Goods must be as described **(1)** this means that the goods sold must match their description on any advertising, packaging or in-store labelling **(1)**.		

Question			Answer/Indicative content	Mark	Guidance

3	a		Indicative content:
			• the relationship between agents and all stakeholders
			• agent (directors/managers) need to act:
			  ◦ in the best interest of all stakeholders
			  ◦ not solely in their own interest
			  ◦ not solely in the principal's (owners/ shareholders) interest
			• extension of agency theory.
			
			Exemplar response:
			
			Eg Company decision-makers need to ensure that they operate in a way which benefits the interests of all stakeholders **(1)**, not just the shareholders **(1)**.
				2	Up to **two** marks.

Question			Answer/Indicative content	Mark	Guidance
3	b		Indicative content: • conflict resolution – elimination/removal/negation of conflict so that it no longer exists. • conflict management – reducing/handling/controlling ongoing conflict, minimising damage to the business. Exemplar response: Eg Conflict resolution is a process designed to get rid of conflict between the stakeholder groups **(1)** whereas conflict management is used to control ongoing conflict when it cannot be totally removed **(1)**.	2	**One** mark for conflict resolution, **one** mark for conflict management. Do not award the word 'resolve' or 'manage'.

Question			Answer/Indicative content	Mark	Guidance
4			Indicative content: • general public • local community • other/local businesses • pressure groups • potential members • the government • HMRC • competitors.	2	**One** mark for each correct identification up to a maximum of **two** identifications. Do **not** award 'customers'.

Question			Answer/Indicative content	Mark	Guidance
5			Indicative content: • reduce its prices • use non-price competition • increase/change its marketing strategy/activity • differentiate itself from the competition • alter its opening hours • upgrade its facilities • promote customer loyalty eg points/loyalty card • create a usp eg ethical/fair-trade/reading room etc • do nothing • reduce costs • accept lower profits • relocate • close down.	2	**One** mark for each correct identification up to a maximum of **two** identifications.

Question	Answer/Indicative content	Mark	Guidance
6	Use levels of response criteria. Indicative content: • authority and status relationships • hierarchical/flat organisations • span of control • scalar chain • authority/responsibility • centralised/decentralised • delegation • workload • communication • control • accountability • empowerment • strategic/tactical/operational • speed/timing • miscommunication. Exemplar response: Eg A business with a hierarchical structure is likely to have many layers of authority. Decisions made by the senior management team need to be passed down a long scalar chain. The response must be passed back up through a long chain of command. The greater the number of levels within the organisation the more remote decision-makers may be from the remainder of the workforce, and the more likely it is that mis-communication could occur **(L1)**. Mis-communication, where employees misunderstand the motives of the decision-makers, or where employers fail to understand the concerns of the workforce could lead to the	10	**Levels of response** **Level 2 (6 – 10 marks)** Candidate explains how a hierarchical organisational structure may impact on a company's ability to communicate effectively. **Level 1 (1 – 5 marks)** Candidate identifies how a hierarchical organisational structure can affect an organisation.

Question			Answer/Indicative content	Mark	Guidance
			increased harbouring of resentment and alienation within the company. This breakdown in industrial relations breeds further mistrust, and may necessitate more formal workforce monitoring procedures to be introduced. In turn, this is likely to increase bureaucracy in the organisation, damaging both the quality and speed of internal communication. If the situation continues to deteriorate then external communication could also be affected. Impacting, not only on the way it operates, but on its relationships with customers, suppliers and the media **(L2)**.		

Question			Answer/Indicative content	Mark	Guidance
7			Indicative content: • increased monitoring • efficiency driven • reduce complacency • accountability • fear • suspicion • control • affects employee interaction • less informal/more formal • them v us • power/role/task/support culture. Exemplar response: Eg The introduction of a new performance management system could be viewed with suspicion by the workforce **(1)** and create a 'them and us' culture between those who are monitored and those who monitor **(1)**.	2	**One** mark for a correct identification plus a further **one** mark for an explanation.

Question	Answer/Indicative content	Mark	Guidance

8	Use levels of response criteria.
	
	Indicative content:
	• culture affected by the work environment
	• cultural paradigm comprises six elements
	• cultural web:
	   ○ stories
	   ○ rituals and routines
	   ○ symbols
	   ○ organisational structure
	   ○ control systems
	   ○ power structures
	• expose cultural assumptions
	• what is working?
	• what isn't working?
	• what needs to be changed?
	• align culture with strategy.
	
	Exemplar response:
	
	Eg Johnson, Scholes and Whittington assert that the culture of an organisation is determined by its cultural paradigm which comprises of six elements. These six elements – stories, rituals and routines, symbols, organisational structure, control systems and power structures – combine to produce an organisation's corporate culture. Their theory suggests that if a business is to achieve a high-performance culture it needs to align its organisational culture with its corporate strategy **(L1)**.
	
	In order to align the organisational strategy with corporate strategy the business first needs to analyse its current culture. For example, knowing past events and people who people talk about within the organisation shows what
		8	**Levels of response**
			
			Level 2 (5 – 8 marks)
			Candidate explains Johnson, Scholes and Whittington's theory of organisation culture.
			
			Level 1 (1 – 4 marks)
			Candidate identifies features of Johnson, Scholes and Whittington's theory of organisation culture.

Question			Answer/Indicative content	Mark	Guidance
			is valued in the organisation. Whether the boss wears an overall or a suit further suggests what is valued by management. If there are one or two senior executives or a department that drives the organisation then these are key influences on the way it operates and its strategic direction. The business then needs to determine what type of culture will align best with its strategy, determining what currently works and what does not. Johnson, Scholes and Whittington suggest that changes which need to be made can then be mapped, and plans put in place to change the organisational culture until it is fully aligned with corporate strategy, thus maximising business performance **(L2)**.		

Question			Answer/Indicative content	Mark	Guidance
9	a		Indicative content: • business behaving in a way which improves the welfare of society • a business' commitment to people and the planet beyond what is required by law or regulation.	1	For **one** mark.

Question			Answer/Indicative content	Mark	Guidance
9	b		Indicative content: • non-discriminatory • not sexist, racist, ageist etc • inclusive • opportunities for the disadvantaged • opportunities for the disabled • positive discrimination • composition of job advertisement • location/medium used to advertise vacancy • non-biased recruitment procedures eg interview, selection tests.	1	**One** mark for a correct identification.

Question			Answer/Indicative content	Mark	Guidance
10			Use levels of response criteria. Indicative content: • nominate directors • evaluate directors on an annual basis • review director selection • best practice in corporate governance • to be seen to be following latest guidelines • additional time and focus to oversee Board roles • enhance the independence of directors • free up directors to concentrate on key aspects of their roles • strengthen control and position of shareholders • increase accountability and transparency • greater assurance of integrity • stand up to external scrutiny Exemplar response:	8	**Levels of response** **Level 2 (5 – 8 marks)** Candidate explains the benefits to a listed company of integrating a nomination committee into its company structure. **Level 1 (1 – 4 marks)** Candidate identifies the function and purpose of nomination committees.

Question	Answer/Indicative content	Mark	Guidance
	Eg A nomination committee consists of a group of non-executive directors, usually chaired by the Chairman of the Board. The remit of the committee is to evaluate every executive director of a listed company on an annual basis. When a new director or company secretary is required the nomination committee is responsible for recommending to the Board candidates who would be suitable for the position. Integrating a nomination committee into the structure of a listed company is one of a range of measures currently deemed to be best practice in corporate governance **(L1)**. Having a nomination committee should help to ensure that the directors of a listed company have all of the necessary skills and characteristics to effectively steer the company and fulfil their legal obligations. Whilst executive directors might be too busy with other legitimate duties to fully consider the directorial needs of the company, the nomination committee will have the time to focus on the detailed assessment of the company's current needs. Furthermore, the executive directors may possibly be swayed by internal politics and be biased in their recommendation of candidates, whereas the nomination committee is more likely to be independent. Thus improving the transparency of the company and increasing public confidence in the way it manages its affairs **(L2)**.		

Question			Answer/Indicative content	Mark	Guidance
11			Indicative content: • increased business confidence • improved long term strategic planning • potential for diversification • more finance available • increased capital investment • encourage technological innovation • more likely to expand the business • more likely to employ more staff • more likely to increase output • lower unemployment • difficulties in recruiting experienced staff • higher disposable income/increased consumer spending/increased demand • higher living standards • increased demand for normal goods/service • less price sensitivity/favourable income elasticity of demand • disproportionate increase in demand for luxury goods • more likely to be able to raise prices • increased sales • higher profits • higher returns on investment • increased investor confidence • increased supply/increased competition • shortage of raw materials. Exemplar response: Eg In a period of sustained economic growth a business is more likely to expand **(1)** in order to take advantage of increased consumer demand **(1)**. This increases the return on investment which the business owners are likely to make **(1)**, increasing investor confidence and encouraging further capital investment **(1)**.	4	**One** mark for each correct point of explanation up to a maximum of **four** such points, but **allow** development.