

Cambridge Technicals Business

Unit 1: The Business Environment

Level 3 Cambridge Technical in Business
05834 - 05837

Mark Scheme for June 2019

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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Annotations

Annotation	Meaning
Tick	Valid point, mark awarded
Cross	Incorrect
Question mark	Response unclear
BOD	Benefit of doubt (mark awarded)
TV	Too vague (mark not awarded)
REP	Repetition (no additional marks awarded)
NAQ	Not answered question (incorrect focus)
L1	Level 1 response (identification)
L2	Level 2 response (explanation)
L3	Level 3 response (analysis)
L4	Level 4 response (evaluation)
CONT	Context (required for high L4 award only)

Subject-specific marking instructions

For Level of Response marked questions marked over 4 levels, the candidate can access at L1 or L2. In either case, they can analyse the point made and proceed directly to L3.

L3 analysis is required before L4 can be accessed.

SECTION A			
Question	Answer	Marks	Guidance
1	Indicative content: C	1	For one mark.
2	Indicative content: B	1	For one mark.
3	Indicative content: B	1	For one mark.
4	Indicative content: C	1	For one mark.
5	Indicative content: C	1	For one mark.
6	Indicative content: B	1	For one mark.
7	Indicative content: B	1	For one mark.
8	Indicative content: D	1	For one mark.
9	Indicative content: D	1	For one mark.
10	Indicative content: C	1	For one mark.
11	Indicative content: B	1	For one mark.
12	Indicative content: C	1	For one mark.
13	Indicative content: C	1	For one mark.
14	Indicative content: A	1	For one mark.
15	Indicative content: A	1	For one mark.
16	Indicative content: A	1	For one mark.
17	Indicative content: D	1	For one mark.
18	Indicative content: B	1	For one mark.
19	Indicative content: C	1	For one mark.
20	Indicative content: B	1	For one mark.

SECTION B			
Question	Answer	Marks	Guidance
21	<p>Responses include:</p> <ul style="list-style-type: none"> • in store/over the counter • online/website/e-commerce • directly to the customer • at trade shows • through a wholesaler • cold calling • using sales representatives • by mail order • on a market stall • using phone/mobile/tablet apps. <p>Exemplar responses:</p> <p>Name of business: London Airways Activity of business: Airline The crew (CONT) sell them onboard the plane (2).</p> <p>Name of business: PG Clothing Activity of business: Clothing manufacturer Sales staff contact potential customers by phone (1).</p>	2	<p>Two marks for a contextual answer. CONT ✓✓ One mark for a non-contextual answer. ✓</p> <p>Answers should relate to the business which the learner has researched.</p> <p>Product = Product/Service, therefore service answers acceptable.</p> <p>NB Question is about sales not marketing. Do not award marks for advertising and promotion. The question is about channels of distribution.</p> <p>CONTEXT = product/service/industry specific terms. E.g. if supermarket then context may be groceries, food, freezers, shopping trolleys, etc. E.g. If restaurant then context may be menu, kitchen, waiter, etc. E.g. If airline then context may be plane, onboard, crew, flight, etc.</p>
22	<p>Responses include:</p> <ul style="list-style-type: none"> • an <u>app</u> to take orders • a <u>text</u> to inform of delivery dates • <u>mobile phone</u> to communicate with the office • to communicate with customers when <u>on the go</u> • to make payments <u>on the go</u> • to place orders when <u>out of the office</u> 	4	<p>In each case award: Two marks for a contextual answer. CONT ✓✓ One mark for a non-contextual answer. ✓</p> <p>Answers should relate to the business which the learner has researched.</p>

SECTION B			
Question	Answer	Marks	Guidance
	<ul style="list-style-type: none"> to make purchases for the business <u>from home</u> to respond to social media messages <u>when out of the office</u> to provide customer service when <u>out of the office</u> to check a bank balance <u>on the go</u> to get information from the internet <u>when travelling</u> to access a database whilst <u>travelling</u> to update a spreadsheet <u>on the go</u> to word process when <u>out of office</u> to show images of products <u>in a customer's home</u>. <p>Exemplar responses:</p> <p>Name of business: Maggie's Meals Activity of business: Restaurant Maggie uses mobile technology to access recipes (CONT) while <u>travelling</u> to the wholesaler's (2).</p> <p>Name of business: Majesty Hospital Activity of business: Hospital The hospital issues all doctors (CONT) with <u>mobile phones</u> so that they can be contacted in an emergency (2).</p> <p>Name of business: Tesco Activity of business: Supermarket Have an <u>app</u> that customers can order on (1).</p>		<p>Answer must clearly be referring to <u>mobile use of the technology</u> e.g. 'app', 'text', 'MMS', 'smartphone/phone/Android/i-phone', 'on the go', 'out of the office', 'when out and about', 'while away from desk', 'from home', 'outside', 'when travelling' etc. E.g. 'To access a database' (0) To access a database when out of the office (1) To access contact details for a clothing (CONT) supplier from the company's database when out of the office (2).</p> <p>Do not accept 'mobile technology' as proof of mobile as this is the phrase used in the question.</p> <p>For first mark: look for mobile use + purpose. For second mark: use of context.</p> <p>Accept the customer using the mobile technology for the business' benefit.</p> <p>Accept two different uses of apps, texts, etc.</p> <p>CONTEXT = product/service/industry specific terms. E.g. if supermarket then context may be groceries, food, freezers, shopping trolleys, etc. E.g. If restaurant then context may be menu, kitchen, waiter, etc. E.g. If airline then context may be plane, onboard, crew, flight, etc.</p>
23	<p>Responses include:</p> <ul style="list-style-type: none"> keep data secure/safe data confidential/not shared/private request permission to share data does not sell the data without explicit consent 	4	<p>One mark for each correct identification to a maximum of four identifications. ✓</p> <p>Answer should relate to the business which the learner has researched.</p>

SECTION B			
Question	Answer	Marks	Guidance
	<ul style="list-style-type: none"> • be registered with Information Commissioner • process data lawfully • keep data for the registered purpose only • not disclosed/used for any unregistered purpose • ensure data is relevant • ensure data is not excessive • keep data accurate • keep date up to date • keep data for no longer than necessary • not pass the data outside the EU (unless specially secured) • disclosure to data subject on request • delete incorrect data on request • correct data quickly • use screen savers • password protect the files • ask customers to update their records • train staff in data security • lock the filing cabinet • don't leave documentation lying around • identity checks before disclosure of information • use undisclosed recipients feature on email. 		<p>Award generic, specific or practical answers.</p> <p>Accept multiple <u>practical</u> suggestions covering the same point e.g. keep data secure (1); password protect (1), use screen savers (1), use a firewall (1) all awardable, i.e. not repetition.</p> <p>Do not award 'training' unless specifically about data protection (annotate TV).</p> <p>'Protect' too vague, unless further detail given. 'Protect' is the stem of a word included in the name of the Act, i.e. 'Data Protection Act'.</p> <p>NB The data protection law applies to hardcopy data as well as data stored digitally</p> <p>No context required.</p>
24	<p>Responses include:</p> <ul style="list-style-type: none"> • advantage e.g. external funding, form of marketing, showcase ideas, obtain feedback, test the public's reaction to product/service, appeal to non-conventional investors, media attention, encourages investor loyalty, no dilution in business control, may convert investors to customers, no upfront fees, no interest to pay, does not have to be paid back, an additional source of finance if cannot obtain from more traditional sources e.g. a bank loan. 	6	<p>One mark for an advantage, <u>plus</u> one mark for explanation <u>plus</u> a further one mark for analysis. ✓, ✓+, ✓A AND One mark for a disadvantage, <u>plus</u> one mark for explanation <u>plus</u> a further one mark for analysis. ✓, ✓+, ✓A</p> <p>In each case, the third mark must be analytical (rather than just more explanation). Analysis must be business-facing i.e. a further consequence on the business.</p>

SECTION B			
Question	Answer	Marks	Guidance
	<ul style="list-style-type: none"> disadvantage e.g. time consuming, need to build up interest, usually need to offer rewards, difficult to know size of rewards/returns to offer, cost of rewards, cost of expected returns, funding bid may not raise enough, if funding target not reached any finance pledged will be lost, failed attempts may damage reputation, ideas could be copied, intellectual property protection needed. <p>Exemplar response:</p> <p>Name of business: Mike's Enterprises Activity of business: Inventor</p> <p>One advantage to Mike's Enterprises of using crowd-funding is that it allows Mike to showcase his idea to the public (1). This is likely to lead to Mike receiving valuable feedback on how to improve his invention (+1) leading to higher sales after product launch (+1).</p> <p>One disadvantage to Mike's Enterprises of using crowd-funding is that Mike will need to publish details of his invention (1). There is a risk that Mike's invention could be copied (+1), leading to Mike losing out on future profits (+1).</p>		<p>Answer should relate to the business which the learner has researched.</p> <p>Do not award 'quick' or 'easy' – unless reason given. Likewise, do not award 'complicated' or 'difficult' – unless reason given.</p> <p>Do not award answers about raising finance in general e.g. to create a new product, to expand, to help business buy equipment, etc.</p> <p>The question requires a specific advantage or disadvantage of raising funds <u>using crowd-funding</u>– virtually all methods can help a business get money, expand, buy equipment, etc.</p> <p>Do not award <u>uses</u> of funds.</p> <p>First mark: specific advantage/disadvantage of crowd-funding (✓). Second mark: any development (which may or may not be analytical) (✓+). Third mark: analysis of this (✓A).</p> <p>If several advantages/disadvantages are suggested, mark the ones that maximise candidate marks.</p> <p>No context required.</p>

SECTION B			
Question	Answer	Marks	Guidance
25	<p>Responses include:</p> <ul style="list-style-type: none"> external stakeholder group e.g. customers, suppliers, shareholders, potential investors, financiers, general public, local community, pressure groups/environmentalists, central government and local government. conflict resolution e.g. mediation, compromise, persuasion, coercion, offer rewards, offer discounts, threaten punishment, communicate, explain, discuss, hold meeting, listened, acknowledge concerns, apology. <p>Exemplar response:</p> <p>Name of business: Ludwick's of Kelsey Activity of business: Tomato farm The farm resolved a conflict it had with local residents (1) by holding a public meeting (1) so that the farm owner could address the residents' concerns (+1) about the use of pesticides (CONT) (1).</p> <p>Name of business: Xanco Activity of business: Pharmaceutical supplier The farm resolved a conflict it had with environmental pressure groups (1) by using more energy efficient vehicles to deliver the products (1) and by switching to recyclable packaging (+1) for its range of shampoos (CONT) (1).</p>	4	<p>One mark for the correct identification of an external stakeholder group. ✓</p> <p><u>Plus</u> One mark for a method of resolution. ✓ One mark for development of resolution method (or a second method). ✓+ One mark for context. CONT ✓</p> <p>Answer should relate to the business which the learner has researched.</p> <p>External stakeholder group must be identified (anywhere in the answer) for marks to be awarded.</p> <p>'Government' and 'community' are too vague please annotate 'TV'.</p> <p>CONTEXT = product/service/industry specific terms. E.g. if supermarket then context may be groceries, food, freezers, shopping trolleys, store, etc. but do not award 'supermarket' E.g. If restaurant then context may be menu, kitchen, waiter, etc. But do not award 'restaurant'. E.g. If airline then context may be plane, onboard, crew, flight, etc. But do not award 'airline'.</p>

SECTION C				
Question		Answer	Marks	Guidance
26	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> is affected by/has an interest in/has a concern about/may benefit from/may affect the business. from within/inside the business. <p>Exemplar response:</p> <p>A person from within an organisation (1) who has an interest (1) in it doing well.</p> <p>Someone who is affected by the business (1).</p> <p>Someone from within the business (1).</p>	2	<p>One mark for 'stakeholder'. One mark for 'internal'.</p> <p>For 'stakeholder' mark: do not award vague terms such as 'associated with/a part of/known by', etc.</p> <p>For 'internal' mark: do not award the word 'internal' as an explanation of 'internal'. However, the answer must clearly mean 'internal', do not award vague terms such as 'involved with/part of/belongs to/works for', etc.</p> <p>Do not award examples.</p>
26	(b)	<p>Responses include:</p> <ul style="list-style-type: none"> personal objectives e.g. pay (1), job security (1), promotion (1), etc. operational objectives e.g. obedient staff (1), motivated staff (1), more staff (1), bigger budget (1), maximise attendance (1), minimise labour turnover (1), etc. business objectives e.g. survival (1), more customers (1), better use of reading room (1), meet user needs (1), customer satisfaction (1), increased revenue (1), etc. 	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>Accept objectives that are generic or specific. E.g. wants the organisation to become more popular/more people to use the library.</p> <p>Do not award 'profit' as the library is a public sector organisation. Annotate with a cross (X).</p> <p>Do not award vague answers e.g. 'for the business to be successful/do well/stakeholder satisfaction' (TV).</p> <p>Both objectives can be from the same category e.g. award 'pay' (1) <u>and</u> 'job security' (1).</p> <p>Needs to be objectives rather than job role tasks. However, accept aspirational tasks even though these might also be considered part of Malik's job role.</p>

SECTION C				
Question		Answer	Marks	Guidance
27	(a)	<p>Indicative content:</p> <ul style="list-style-type: none"> fixed costs: do not change <u>with level of output/production/service provision/sales/visitors/books loaned/library usage.</u> variable costs: vary <u>with level of output/production/service provision/sales/visitors/books loaned/library usage.</u> <p>Exemplar response:</p> <p>Fixed costs stay the same, no matter how many goods are produced (1).</p> <p>Variable costs increase as service provision increases (1).</p>	2	<p>One mark for fixed costs. One mark for variable costs.</p> <p>Reference to 'output' (or similar) required to award marks. E.g. 'Variable costs change' (0) 'Variable costs change over time' (0) 'Variable costs change with output' (1)</p> <p>Do not accept vague terms such as 'business performance/success/how busy/level of activity/quantity' for 'output' (TV). Do not accept 'profit' for 'output' as this is incorrect (X). Do not accept references to 'time' or time periods e.g. 'year' or 'month' as these are incorrect (X). Do not accept 'price' for 'cost' (X).</p> <p>Do not award examples.</p> <p><u>Meaning</u> of the terms required, do not award disadvantages. I.e. do not award 'fixed costs have to be paid even if output is zero' or 'fixed costs have to be paid regardless of profit' as these are disadvantages rather than the meaning of the terms.</p> <p>No context required.</p>
27	(b)	<p>Indicative content:</p> <p>Salaries: £9000 x 12 = £108,000 Premises: £16,000 x 4 = £ 64,000 Administration: <u>£ 7,000</u> <u>£179,000</u></p>	2	<p>Up to two marks.</p> <p>Award two marks for correct answer £179000 (irrespective of workings). Pound sign required.</p> <p>Else award:</p> <p>Max one mark for '179,000' (without the pound sign).</p>

SECTION C				
Question		Answer	Marks	Guidance
		e.g. £179,000 (2) e.g. 179,000 (1) e.g. 108000 (1)		Or Max one mark for '108,000' and/or '64,000' if seen (pound signs not required for award of one mark).
27	(c)	Indicative content: $\text{£}0.33 + \text{£}0.97 = \text{£}1.30$ per visit. $\text{£}1.30 \times 30,000 =$ <u>£39,000</u> or $\text{£}0.33 \times 30,000 = \text{£ } 9,900$ $\text{£}0.97 \times 30,000 =$ <u>£29,100</u> <u>£39,000</u> e.g. £39,000 (2) e.g. 39,000 (1) e.g. £1.30 (1) e.g. £9,900 (1)	2	Up to two marks. Award two marks for correct answer £39000 (irrespective of workings). Pound sign required. Else award: Max one mark for '39,000' (without the pound sign). Or Max one mark for '1.30/1.3' and/or '9,900' and/or '29,100' if seen (pound signs not required for award of one mark).
28		Use level of response criteria. Responses include: <ul style="list-style-type: none"> library assistants' labour turnover is high services targeted at senior citizens reading room underutilised staff helpful/organised rated very high, higher than in other UK libraries 	12	Levels of response Level 4 (10 - 12 marks) Candidate evaluates <i>Huxley Library's</i> non-financial performance in 2017. Level 3 (7 - 9 marks) Candidate analyses <i>Huxley Library's</i> non-financial performance in 2017.

SECTION C			
Question	Answer	Marks	Guidance
	<ul style="list-style-type: none"> satisfaction with range of services provided is very high, similar to other UK libraries satisfaction with opening hours is low, half that of other UK libraries proportion of children's book loans is low, less than half of national average just over a third of population use the library, in line with national average library usage fallen over the year, fallen eight times faster than the national average offers a wide range of services audio book section outdated. <p>Exemplar response:</p> <p>The survey shows 96% of respondents are happy with the services <i>Huxley Library</i> offers (L1). This is very slightly higher than that of other UK libraries (L2). This should mean that the library gains a good reputation (L3).</p> <p>However, only 37% of respondents believe that the library's opening hours meet their needs (L1). This is only half of the figure for other UK libraries (L2). This may be deterring some local residents from attending, reducing visitor numbers (L3).</p> <p>Overall, <i>Huxley Library</i> is offering many of the services which local residents require, but local residents cannot always make use of the facilities because it closes at 3pm on weekdays and is closed on weekends. Since <i>Huxley Library</i> has seen its usage fall by eight times the national average, this is a significant factor which Alphashire County Council needs to address (L4).</p>		<p>Level 2 (4 – 6 marks) Candidate explains <i>Huxley Library's</i> non-financial performance in 2017.</p> <p>Level 1 (1 – 3 marks) Candidate identifies <i>Huxley Library's</i> non-financial performance in 2017.</p> <p>NB The question only relates to non-financial performance, do not award financial arguments.</p> <p>Do not award causes/reasons/solutions (please annotate NAQ). The question solely relates to data response.</p> <p>L1 – states from information given e.g. 95% of <i>Huxley Library</i> users thought the staff were helpful, library usage nationally fell by 0.6% last year.</p> <p>L2 –shows understanding of the data i.e. anything relevant that the candidate has worked out for themselves e.g. national comparisons, comparison with organisational objective (to meet the information needs of the local community), impacts on stakeholders etc.</p> <p>L3 – analytical point made – if positive point made analysis = benefit to the business; if negative point made analysis = drawback to the business. E.g. avoid closure, more users, more customers, increased budget, stay within budget, gain funding, improved reputation, meet customer needs, increase revenue.</p> <p>L4 – overall judgement of the library's non-financial performance which builds from previous analysis. Award 10 marks for a one-sided judgement – good points <u>or</u> bad points.</p>

SECTION C				
Question		Answer	Marks	Guidance
				<p>Award 11 marks for a two-sided judgement – good points and bad points.</p> <p>Award 12 marks for a detailed, justified judgement that gives a two-sided argument – good point <u>and</u> bad points, <u>and</u> justification of importance.</p> <p>NB Do not award general statements e.g. ‘non-financial is good/bad’ unless reasoning given. Do not award vague statements e.g. ‘changes need to be made’ unless the nature of the change is clearly stated.</p>
29	(a)	<p>Responses include:</p> <ul style="list-style-type: none"> • decision-makers develop specialist decision-making skills e.g. critical path analysis • less likely to make mistakes • strong leadership • decision-making can be strategic • easier to implement organisation-wide policy • decisions tend to benefit the whole organisation • avoids conflicting departmental objectives • easier to co-ordinate decisions made • easier to control decisions made • fast response to potential threats. 	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>NB centralisation refers to who is allowed to make decisions in the organisation i.e. those of high status or those at head office/the council. Do not award vague answers about communication.</p> <p>Do not award answers relating to hierarchical structure.</p> <p>‘Professional’ is too vague (TV).</p> <p>Must be an advantage, rather than a mere statement.</p> <p>Must be an advantage to the organisation.</p>

SECTION C				
Question		Answer	Marks	Guidance
29	(b)	<p>Responses include:</p> <ul style="list-style-type: none"> • not consulted • alienated • feel unimportant • demotivated/low morale • opinions overlooked • little responsibility • not allowed to make decisions/changes • lack autonomy • cannot use own initiative • lack of job satisfaction • lack of empowerment. 	2	<p>One mark for each correct identification up to a maximum of two identifications.</p> <p>NB centralisation refers to who is allowed to make decisions in the organisation i.e. those of high status or those at head office/the council. Do not award vague answers about communication.</p> <p>Must be a disadvantage, rather than a mere statement.</p> <p>Must be a disadvantage to employees, rather than to the organisation.</p>
30		<p>Use level of response criteria.</p> <p>Responses include:</p> <ul style="list-style-type: none"> • greater emphasis on child provision • offer free activities for children/families • offer English improvement facilities and resources • increase stocks of books in locally spoken languages • encourage early life familiarisation with libraries • larger stock of children's books (currently small) • redecorate to appeal to children e.g. cartoons, bright colours • introduce children's literacy activities e.g. pre-school story time • introduce fun free activities for families e.g. literacy hunt, poetry writing, song writing, quizzes 	12	<p>Levels of response</p> <p>Level 4 (10 - 12 marks) Candidate evaluates how Anna should alter the service provision at <i>Huxley Library</i> in response to changes in its local demographics.</p> <p>Level 3 (7 - 9 marks) Candidate analyses way(s) of altering <i>Huxley Library's</i> service provision in response to changes in its local demographics.</p> <p>Level 2 (4 – 6 marks) Candidate explains way(s) of altering <i>Huxley Library's</i> service provision in response to changes in its local demographics.</p> <p>Level 1 (1 – 3 marks) Candidate identifies way(s) of altering <i>Huxley Library's</i> service provision in response to changes in its local demographics.</p> <p>L1 – any appropriate idea.</p>

SECTION C			
Question	Answer	Marks	Guidance
	<ul style="list-style-type: none"> stock a wide range of easy reader and reading books for adults run classes for adults with poor literacy skills make better use of reading room e.g. house larger stock of children's books, run activities for children, create a play room, etc make better use of the community room e.g. arts and crafts for children, meet the author sessions, literacy classes, etc. market the community room as a place to be hired for children's parties, school visits, etc. promote the use of the computer and Internet facilities extend/increase opening times – to cover after school times, late night opening, weekends. <p>Exemplar response:</p> <p>The library's opening hours could be extended (L1) so that the library is open later in the day say 9am – 9pm (L2). This would make the library more popular (L3) with families as they will be able to use the library after school or after the parents have finished work.</p> <p>The library could also stock a good range of books for very young children (L1), for example baby books made from plastic and thick cardboard (L2). This should encourage more young families to visit the library (L3).</p> <p>Both suggestions would help the library to achieve its objective of meeting the information needs of the local community it serves. However, extending the opening</p>		<p>L2 – explanation of appropriate idea.</p> <p>L3 – analytical point made i.e. benefits or drawbacks to library provision of suggested idea. Accept benefits and drawbacks to library/local council only. E.g. more readers, more customers, used more, more popular, avoid closure, keep costs down, keep within budget, require more staff, more funding, better reputation, meet customer needs etc. Accept 'more revenue' if referring to activities/clubs which could be chargeable or a book sale (but not for loaning out books). Do not accept arguments relating to 'profit'.</p> <p>L4 evaluation – an overall conclusion as to why the method(s) recommended are the best to use. Award 10 marks for a non-contextual justification of the methods chosen i.e. good because (with no context). Award 11 marks for a contextual justification of the method(s) chosen i.e. good because (with context). Award 12 marks for a comparative, contextual justification of the method(s) chosen i.e. best/better than because (with context).</p> <p>'Change' is too vague – direction required e.g. higher/lower, etc.</p> <p>NB: library is not context, look for books, reading rooms, etc.</p>

SECTION C				
Question		Answer	Marks	Guidance
		hours of the library would be extremely expensive in terms of labour costs. Since the library has received a cut in funding (CONT) over the last few years, concentrating on improving book stocks would seem the most appropriate course of action (L4).		
31		<p>Use level of response criteria.</p> <p>Responses include:</p> <p>Advantages</p> <ul style="list-style-type: none"> • government funded/funded from taxation • not strive for profit/not overburdened by financial motive • not answerable to shareholders • can concentrate on service provision • can operate for community/society benefit • cross departmental support • legal support services • marketing support services • administration support services • economies of scale • limited liability • continuity of provision on change of government • no shareholders to please. <p>Disadvantages:</p> <ul style="list-style-type: none"> • compete for funds with other government departments • no retained profit • affected by cuts in government funding • requirements to make efficiency savings 	12	<p>Levels of response</p> <p>Level 4 (10 - 12 marks) Candidate evaluates the benefits and drawbacks to <i>Huxley Library</i> of being a government-owned organisation.</p> <p>Level 3 (7 - 9 marks) Candidate analyses benefits/drawbacks of being a government-owned organisation.</p> <p>Level 2 (4 – 6 marks) Candidate explains benefits/drawbacks of being a government-owned organisation.</p> <p>Level 1 (1 – 3 marks) Candidate identifies benefits/drawbacks of being a government-owned organisation.</p> <p>L1 – any benefit or drawback.</p> <p>L2 – any development of benefit or drawback.</p> <p>L3 – analytical point made i.e. a further consequence to library provision of an L1 point. Accept consequences to the library, only. E.g. may face budget cuts ... cannot expand, may be protected from closure, bureaucratic ... slow to adapt to needs of users, etc. Do not accept arguments relating to 'profit'.</p> <p>L4 evaluation - overall judgement of the benefits/drawbacks of</p>

SECTION C			
Question	Answer	Marks	Guidance
	<ul style="list-style-type: none"> • difficult to raise additional finance e.g. no shareholders • can be used for political gain. • subject to political influences e.g. general election, government policy, government initiatives • subject to local authority control • decision makers may be remote/not in touch with needs of service-users • may not make best use of local employee expertise/knowledge • lack of autonomy • slow decision-making • slow to change/respond • inflexible • risk averse • lacks innovation • bureaucratic • diseconomies of scale. <p>Exemplar response:</p> <p>One benefit to <i>Huxley Library</i> of being owned by the government is that it can operate as a not-for-profit organisation (L1). It does not have to make decisions which maximise profit (L2) rather it can concentrate on the quality of its service provision and the needs of the local community it serves (L3).</p> <p>On the other hand, government-owned organisations are subject to strict government control (L1). This usually leads to high levels of bureaucracy within the organisation (L2), leading to slow and inflexible decision-making (L3).</p>		<p>being a government-owned organisation.</p> <p>Award 10 marks for an overall non-contextual judgement of the benefits or drawbacks e.g. benefits greater than drawbacks/drawbacks greater than benefits because...</p> <p>Award 11 marks for an overall contextual judgement of the benefits or drawbacks e.g. benefits greater than drawbacks/drawbacks greater than benefits because.</p> <p>Award 12 marks for a judgement of the greatest/most important benefit/drawback with valid contextual reasoning.</p> <p>NB: library is not context, look for books, reading rooms, free service, four years of funding cuts, etc.</p>

SECTION C				
Question		Answer	Marks	Guidance
		Since the library offers its books (CONT) and materials for loan free of charge, it is unlikely that it could ever run as a commercial, profit-making enterprise. Therefore, despite the drawbacks of being government-owned it is advantageous to <i>Huxley Library</i> to operate in the public sector because it is more likely to receive the funding required to enable the organisation to continue to operate (L4).		

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