

GCE

New Business

H031/02: The wider business environment

AS Level

Mark Scheme for June 2024

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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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MARKING INSTRUCTIONS

PREPARATION FOR MARKING RM ASSESSOR

- Make sure that you have accessed and completed the relevant training packages for on-screen marking: RM Assessor Assessor Online Training;
 OCR Essential Guide to Marking.
- 2. Make sure that you have read and understood 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 RM Assessor and mark the **required number** of practice responses ("scripts") and the **number of required** standardisation responses.

YOU MUST MARK 10 PRACTICE AND 10 STANDARDISATION RESPONSES BEFORE YOU CAN BE APPROVED TO MARK LIVE SCRIPTS.

MARKING

- 1. Mark strictly to the mark scheme.
- Marks awarded must relate directly to the marking criteria.
- 3. The schedule of dates is very important. It is essential that you meet the RM Assessor 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 RM Assessor messaging system, or by email.

5. Crossed Out Responses

Where a candidate has crossed out a response and provided a clear alternative then the crossed out response is not marked. Where no alternative response has been provided, examiners may give candidates the benefit of the doubt and mark the crossed out response where legible.

Rubric Error Responses - Optional Questions

Where candidates have a choice of question across a whole paper or a whole section and have provided more answers than required, then all responses are marked and the highest mark allowable within the rubric is given. Enter a mark for each question answered into RM assessor, which will select the

highest mark from those awarded. (The underlying assumption is that the candidate has penalised themselves by attempting more questions than necessary in the time allowed.)

Multiple Choice Question Responses

When a multiple choice question has only a single, correct response and a candidate provides two responses (even if one of these responses is correct), then no mark should be awarded (as it is not possible to determine which was the first response selected by the candidate).

When a question requires candidates to select more than one option/multiple options, then local marking arrangements need to ensure consistency of approach.

Contradictory Responses

When a candidate provides contradictory responses, then no mark should be awarded, even if one of the answers is correct.

Short Answer Questions (requiring only a list by way of a response, usually worth only **one mark per response**)

Where candidates are required to provide a set number of short answer responses then only the set number of responses should be marked. The response space should be marked from left to right on each line and then line by line until the required number of responses have been considered. The remaining responses should not then be marked. Examiners will have to apply judgement as to whether a 'second response' on a line is a development of the 'first response', rather than a separate, discrete response. (The underlying assumption is that the candidate is attempting to hedge their bets and therefore getting undue benefit rather than engaging with the question and giving the most relevant/correct responses.)

Short Answer Questions (requiring a more developed response, worth two or more marks)

If the candidates are required to provide a description of, say, three items or factors and four items or factors are provided, then mark on a similar basis – that is downwards (as it is unlikely in this situation that a candidate will provide more than one response in each section of the response space.)

Longer Answer Questions (requiring a developed response)

Where candidates have provided two (or more) responses to a medium or high tariff question which only required a single (developed) response and not crossed out the first response, then only the first response should be marked. Examiners will need to apply professional judgement as to whether the second (or a subsequent) response is a 'new start' or simply a poorly expressed continuation of the first response.

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. Award No Response (NR) if:
 - there is nothing written in the answer space

Award Zero '0' if:

anything is written in the answer space and is not worthy of credit (this includes text and symbols).

Team Leaders must confirm the correct use of the NR button with their markers before live marking commences and should check this when reviewing scripts.

- 8. The RM Assessor **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 RM Assessor messaging system, or e-mail.
- 9. Assistant Examiners will send a brief report on the performance of candidates to their Team Leader (Supervisor) via email by the end of the marking period. The report should contain notes on particular strengths displayed as well as common errors or weaknesses. Constructive criticism of the question paper/mark scheme is also appreciated.
- 10. For answers marked by levels of response: Not applicable in F501
 - 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	Above middle and either below top of level or at middle of level (depending on number of marks
inconsistency	available)
Consistently meets the criteria for this level	At top of level

11. Annotations

Annotation	Meaning	Annotation	Meaning
BP	Blank page (this MUST be used rather than SEEN)	K	Knowledge
*	Tick	APP	Application of knowledge and understanding
×	Cross	AN	Analysis
	Highlighting tool	DEV	Developed Analysis
NAQ	Not answered question (candidate writes irrelevant material)	EVAL	Evaluation
OFR	Own Figure Rule	EE	Effective evaluation
BOD	Benefit of Doubt (replaces tick in short answer questions)	?	Unclear
REP	Repeat (material already rewarded)	TV	Too vague/No use of context
SEEN	Noted but no credit given (use where no other annotation is appropriate)		

EVERY PAGE, INCLUDING BLANK PAGES (use the BP annotation), MUST HAVE SOME ANNOTATION

Please ensure that, wherever possible, annotations are placed in the margins and not over the candidate's answer. This makes it very difficult to read if the paper is printed out in black & white.

[Questions 1-9, & 11-12 should be annotated with ticks, crosses, BOD, REP, TV, OFR, NAQ or ?. The number of ticks plus OFR/BOD MUST match the final mark awarded for that question. Ticks MUST NOT be used in Questions 10 & 13.]

IT IS VITAL THAT YOU SHOW AS MUCH ANNOTATION ON EACH PAGE AS POSSIBLE. IN PARTICULAR, WHERE AOS ARE REACHED, SO THAT YOUR TEAM LEADER CAN LOOK TO AGREE WITH YOUR FINAL MARK.

12. Subject Specific Marking Instructions

Candidates will be awarded marks for the demonstration of each skill (Knowledge and Understanding/Application/Analysis/ Evaluation) according to the level (Strong/Good/Reasonable/Limited) seen. Their overall mark for Levels of Response questions will comprise the total of these marks.

The descriptions in each level of response question in this mark scheme describe a typical response at the top of that level.

This Mark Scheme is a working document; it is not exhaustive; it does not provide 'correct' answers. The Mark Scheme can only provide 'best guesses' about how the question will work out.

The Examiners' Standardisation Meeting will ensure that the Mark Scheme covers the range of candidates' responses to the questions, and that all examiners understand and apply the Mark Scheme in the same way. The Mark Scheme will be discussed and amended at the meeting, and administrative procedures will be confirmed. Practice scripts will be issued at the meeting to exemplify aspects of candidates' responses and achievements; the practice scripts then become part of this Mark Scheme.

In your marking, you will encounter valid responses which are not covered by the Mark Scheme: these responses must be credited.

Please read carefully all the scripts in your allocation and make every effort to look positively for achievement throughout the ability range. Always be prepared to use the full range of marks.

Que	stion	Answer	Mark	Guidance
1		Explain what is meant by a 'kanban' stock control system. Two marks for a correct explanation of a Kanban stock control system. One mark for some knowledge of a Kanban stock control system.	2 (AO1 2)	Indicative content: • Kanban is a visual system of inventory control • To manage workflow / process and inventory control Exemplar response An inventory management system, often using a noticeboard to show where inventory is (1) that aims to show the inventory needs as the product flows through the production process (1). ARA
2	(a)	Explain one benefit to a business of good employer/employee relations. Two marks for a correct explanation of a benefit to a business of good employer/employee relations. One mark for correct identification of a benefit to a business of good employer/employee relations.	2 (AO1 2)	Indicative content: Increased employee loyalty Increased motivation Decreased labour turnover /absenteeism/lateness Less conflict in the workplace Lower chance of industrial action A better corporate culture Improved employee productivity and engagement Exemplar response Employees will have increased motivation (1) which is likely to lead to the employees being more productive in the business (1).
2	(b)	Explain one drawback to a business of poor employer/employee relations. Two marks for a correct explanation of a cost to a business of poor employer/employee relations.	2 (AO1 2)	Indicative content: Decreased employee loyalty Decreased motivation Increased labour turnover/absenteeism/lateness More conflict in the workplace Higher chance of industrial action

Question	Answer	Mark	Guidance
	One mark for correct identification of a cost to a business of poor employer/employee relations.		 A worse corporate culture Poor employee productivity and engagement Exemplar response Employees may be absent from work more often (1) leading to a shortage of workers to operate the business (1).
3	Calculate the gross profit variance, stating whether the variance is adverse or favourable. Three marks for a correct answer, with or without workings (£1500 adverse). Two marks for a correct numerical variance (£1500). One mark for a correctly calculated actual gross profit (£10 000).	3 (AO2 3)	Actual gross profit = £30 000 - £20 000 = £10 000 [1] Actual £10 000 - budgeted £11 500 = £1500 [1] Answer = £1500 adverse [1] [OFR]
4	Explain one way in which the policies of the national government could affect an estate agent selling houses. Two marks for a correct explanation of a way in which the policies of the national government could affect an estate agent selling houses. One mark for correct identification of a way in which the policies of the national government could affect a business (no context).	2 (AO1 1) (AO2 1)	 Indicative content: Taxation – may increase stamp duty which will increase the price of a house. Income tax will affect the pay of the agents selling the houses. Infrastructure – new roads/train lines may increase the value of a property. Spending on education – may affect the value of properties near a school. Minimum wage legislation – may affect the wages of administrative staff. Vocational training initiatives – may allow for the recruitment of better staff trained in selling houses.

Question	Answer	Mark	Guidance
			Exemplar response If the government increases its spending on education (1) then this may improve schools near the houses that the estate agent is selling, increasing the selling price (1). Do not reward interest rate changes as the MPC is independent from the government.
			ARA
5	Calculate the output level required to achieve a monthly profit of £3000. Three marks for correct answer, with or without workings (14 000kg). Two marks for correct calculation of the unit contribution (£0.25). One mark for correct calculation of variable cost per kg (£0.35).	3 (AO2 3)	Variable cost (per unit) $ \frac{(2000 \times £0.60) - £500}{2000} = £0.35 [1] $ $ 2000 $ Contribution = £0.60 - £0.35 = £0.25 per unit [1] $ \frac{(£3000 + £500)}{£0.25} = 14 000 \text{ kg} $ $ £0.25 $ Answer = $14 000 \text{ kg}$ [1]
6	Explain one difference between the law and ethics. Two marks for a correct explanation of a difference for a business between the law and ethics.	2 (AO1 2)	The law is a set of rules and restrictions created by an authority (government). Ethics are a set of moral principles that guide a person or entity. Differences include:

Question	Answer	Mark	Guidance
	One mark for identification of the impact of the law and/or ethics on a business.		 There are set punishments for disobeying the law, but no set punishment for being unethical. The law is set by a higher authority (government) whereas ethics are decided by individuals. The law must be obeyed, ethics may be obeyed (ethics are optional). A business can be shut down for disobeying the law, but there is no definite consequence for being unethical. Exemplar response A business must follow the law where they are operating (1), but there is not one set of ethics that the whole business must follow (1).
7	Explain one way a restaurant might use benchmarking. Two marks for a correct explanation of how a restaurant might use benchmarking. One mark for correct identification of how a business might use benchmarking (no context).	2 (AO1 1) (AO2 1)	Indicative content:
8 (a)	Identify how this hierarchy is organised. One mark for correct identification of organisation by function.	1 (AO2 1)	Indicative content: • By function.

Ques	stion	Answer	Mark	Guidance
8	(b)	Identify the Operations Director's span of control.	1 (AO2 1)	Indicative content:
		One mark for correct identification of the span of control.		

Question	Answer	Mark	Guidance
9	Explain what is meant by cash-flow. Two marks for a correct explanation of cash-flow. One mark for a partial explanation of cash-flow.	2 (AO1 2)	Indicative content: • The movement of money into (1) and out of (1) a business. No context required
10	Evaluate the impact on two of GAME's external stakeholders of opening the gaming arena in central London. Level 4 (10–12) Candidate shows strong knowledge and understanding (K), analysis (AN) and evaluation (EVAL/EE) of the impact on external stakeholder(s) of GAME of opening the gaming arena (APP). There is a well-developed line of reasoning which is clear and logically structured. The information presented is relevant and substantiated. Level 3 (7–9) Candidate shows good knowledge and understanding (K), analysis (AN) and evaluation (EVAL/EE) of the impact on external stakeholder(s) of GAME of opening the gaming arena (APP). There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence. Level 2 (4–6) Candidate shows reasonable knowledge and understanding (K), analysis (AN) and evaluation (EVAL)	12 (AO1 2) (AO2 2) (AO3 4) (AO4 4)	 Customers – gives customers an opportunity to game with other people, which may not have been available on such a scale before. Moving from arenas which were virtual to non-virtual audience. Likely to appeal to gamers and increase their gaming experience. May also allow for them to enter tournaments and make their gaming a more social experience. However, a central London location is likely to mean that many gamers are unable to use the arena which may cause dissatisfaction amongst customers. Competitors – when GAME sets up a new store in central London it is likely that competitors will see a fall in sales. GAME is a big company with a strong brand, meaning sales at existing businesses in the area may fall. However, as the market is growing will sales for all businesses rise? Existing customers may also be loyal to the businesses which are already there. Suppliers – much content is available in a freemium model and physical distribution is falling in demand. This often means that suppliers need to find alternative ways of monetising their business model. This has led to a focus on virtual arenas for many

Question	Answer	Mark	Guidance
	of the impact on external stakeholder(s) of GAME of opening the gaming arena (APP). The information has some relevance and is presented with limited structure. The information is supported by limited evidence. Level 1 (1–3) Candidate shows limited knowledge and understanding (K) of external stakeholders with limited or no analysis (AN) and evaluation (EVAL) of the impact on stakeholder(s) of GAME of opening the gaming arena. The information is basic and communicated in an unstructured way. The information is supported by limited evidence and the relationship to the evidence may not be clear. NB – award maximum of two marks for non—contextualised factors. O marks no response or no response worthy of credit.		new titles and Game is providing a new distribution channel for this content. However, where a gamer might have taken a risk on a game in the past, if they can try it out in store will they continue to purchase the title for use at home. This may possibly see a decline in sales for suppliers. • Government – the retail sector has struggled as many people move to non-physical markets and high streets are suffering. This may bring shoppers back to the high street and boost other businesses. The government will also benefit from the increase in employment (less job-seekers allowance) and corporation tax, assuming the arenas add to the profit of The Fraser Group. There may also be an improvement in socialisation as gamers move from a solitary experience to a community experience. • Local community – As more younger customers are attracted to the arena there may be an increase in anti-social behaviour, noise pollution and travel issues at peak times. However, Oxford Street is already a busy environment, and this is unlikely to have a large impact on the number of visitors. The arena may lead to an increase in employment locally (although it is unlikely to be people who live in central London). • Influencers – many social media influencers use gaming as part of their content, and this provides another distribution channel for this content. It may also provide an opportunity (though tournaments, for example) for influencers to battle each other and provide content for their channels.

Question	Answer	Mark	Guidance
			 Professional esports players – as esports becomes more recognised, these players are likely to need tournaments to play at, giving them an opportunity to earn revenue from their talents. However, much of this already happens from the comfort of their homes and to what extent will esports players be encouraged to move into the arenas? ARA
11	Calculate GAME's market share in 2019.	2 (AO2 2)	£492.9m x 100 [1] £5 350m
	Two marks for correct calculation of GAME's market share in 2019, with or without workings.		Answer = <u>9.21%</u> [1]
	One mark for identifying the correct numbers.		
12	Explain two likely reasons why GAME chooses to operate in non-physical markets. One mark for each correct identification of a reason to operate in non-physical markets, to a maximum of two identifications, plus one mark for each of two contextual explanations.	4 (AO1 2) (AO2 2)	 Wider customer base – by selling products digitally GAME can access customers who do not purchase/use physical media. Higher prices can be charged – for speedier/more convenient delivery of media, such as newly released games. Lower HRM costs – less need for salespeople as the market can operate digitally (GAME's website for example). Lower distribution costs – some non-physical markets will involve digital products which can be sent for lower/zero cost (email, downloads, streaming etc.).

Question	Answer	Mark	Guidance
			Customer expectations – many of GAME's target market will expect to purchase media in non-physical markets (such as streaming game media). Exemplar response GAME's customers are likely to be familiar with non-physical markets for the purchase of media (such as Netflix) (1) and therefore the marketing is more likely to be targeted at the correct customer (1). ARA
13	Evaluate the importance of Martyn Gibbs' leadership to the success of GAME. Level 4 (16–20) Candidate shows strong knowledge, understanding (K), analysis (DEV) and evaluation (EVAL/EE) of the importance of Martyn Gibbs' leadership to the success of GAME (APP). There is a well-developed line of reasoning which is clear and logically structured. The information presented is relevant and substantiated. Level 3 (11–15) Candidate shows good knowledge and understanding (K), analysis (AN/DEV) and evaluation (EVAL/EE) of the importance of Martyn Gibbs' leadership to the success of	20 (AO1 2) (AO2 2) (AO3 8) (AO4 8)	 Indicative content: Knowledge of leadership, including: Leadership theory, including trait theory (Carlyle and Galton, McGregor's Theory X and Y), behavioural theory (Blake and Moulton's managerial grid), contingency theory (Lewin, Tannenbaum and Schmidt's behavioural continuum) and functional Adair's Three Circles) Leadership styles, including autocratic, democratic, laissez-faire and paternalistic. Knowledge of leadership e.g. creating a strategy, vision, plan, organising staff etc. Application to GAME, including: CEO since April 2020. Joined as GAME exited administration.
	GAME (APP) . There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.		 Set the vision for the company to ensure relevance and excellence in service. Increasingly digital industry.

Question	Answer	Mark	Guidance
	Level 2 (6–10) Candidate shows reasonable knowledge and Understanding (K), analysis (AN) and evaluation (EVAL) of the importance of Martyn Gibbs' leadership to the success of GAME (APP). The information has some relevance and is presented with limited structure. The information is supported by limited evidence. Level 1 (1–5) Candidate shows limited knowledge and understanding (K) of leadership with limited or no analysis (AN) and evaluation (EVAL) of the importance of leadership to the success of GAME (APP). The information is basic and communicated in an unstructured way. The information is supported by limited evidence and the relationship to the evidence may not be clear. NB – award maximum of two marks for non— contextualised impacts. 0 marks no response or no response worthy of credit.		 Centred the focus to fully engage every type of gamer. Put in place business strategy with a clear mission to build the most valuable community of gamers. Formed a first-class leadership team. Focus on digital distribution and continuous community engagement Uses events and social media, across all channels. BELONG opened in 2019. Change (new look and feel for GAME) in 2019 – to provide best retail and gaming experience for player. Believes in listening and working with gaming community. Increase in profit from 2018 to 2019 of 20.3% but a decrease in revenue of 4.7% Analysis and evaluation including: GAME moved from administration (when Martyn Gibbs took over as CEO) to profit making in 2019, which suggests that his leadership may have been a key element of GAME's success. However, GAME had to close outlets from 2019 which may suggest that poor decisions have been made. Set objectives and mission of GAME, which may allow for functional areas to make better decisions and allow GAME to reach its objective. However, the business was taken over by The Fraser Group in 2019, was this because it was a success or a failing business?

Question	Answer	Mark	Guidance
			 External communication – marketing and PR responsibilities, for example, to put a face to the corporate image of the business and make statements to external stakeholders. However, to what extent does Martyn Gibbs reflect the typical GAME consumer? Co-ordinating and controlling – the business was in administration, suggesting poor management/leadership before April 2012. Martyn Gibbs brought the business back into profit and has controlled the expansion of the business. However, the move into a more digital market, BELONG centres and the launch of suppliers' games and media may be more important to the success of GAME than Martyn Gibbs. Decision making – for example over which outlets needed to be closed after the takeover and allowing the online expansion of GAME. However, these outlets were closed after the takeover from the Fraser Group – was this Martyn Gibbs leadership or a requirement of the new owners? Evaluating progress – to report back to shareholders of GAME and now to the shareholders of the Fraser Group. However much of this will have been prepared by those working for Martyn Gibbs. Figurehead – importance of having a leader who can inspire the employees and embodies the vision of GAME. Motivating – as a tertiary sector business, much of GAME. Motivating – as a tertiary sector business, much of GAME functions involve human resources, making motivation key to the success of the business.

Question	Answer	Mark	Guidance
			However, it is unlikely that Martyn spend his days with employees, the motivation is more likely to come from line managers as opposed to a CEO. • Planning/strategy – after setting the objectives and mission, these need to be used in the decision making of the business to plan for future success and to avoid business failure. ARA

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