

## **Cambridge National**

### **Enterprise and Marketing**

R067/01: Enterprise and marketing concepts

Level 1/2 Cambridge National Certificate/Award/Diploma

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

- 1. 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 6 PRACTICE AND 10 STANDARDISATION RESPONSES BEFORE YOU CAN BE APPROVED TO MARK LIVE SCRIPTS.

#### **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 RM Assessor 50% and 100% 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.

#### **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).

#### **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:
  - 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

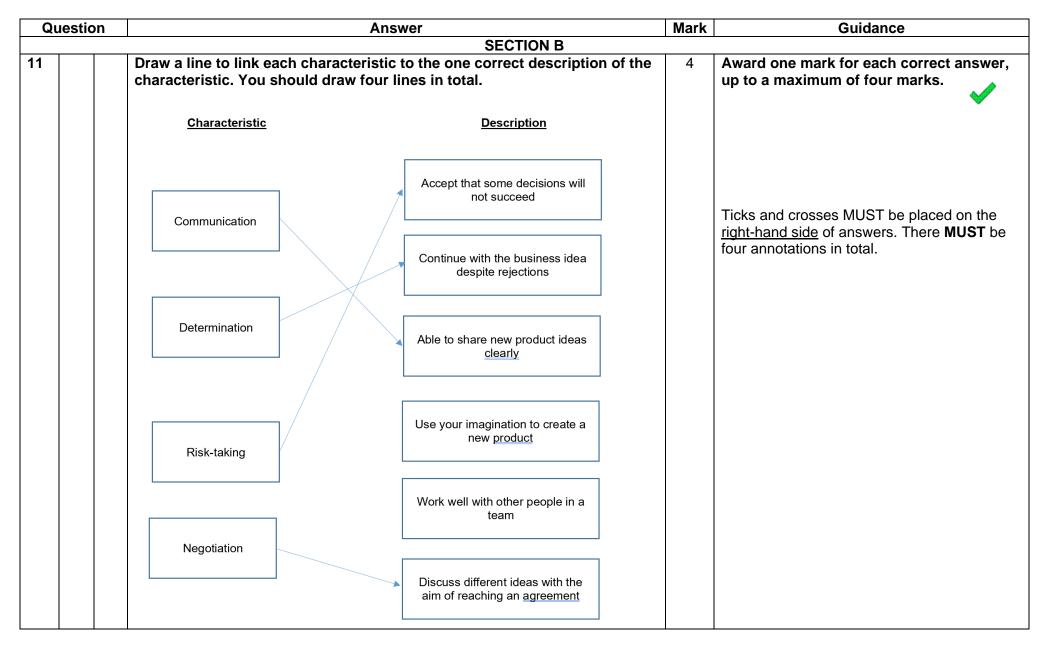
### 11. Annotations

Annotation	Meaning
<b>✓</b>	Correct
×	Incorrect
?	Not sure what the candidate is trying to say, or it does not make sense.
BOD	Benefit of doubt given (counts as a mark)
L1	
L2	For use in Q19 – see guidance
L3	
APP	Application shown
OFR	Own figure rule (counts as a mark)
VG	Vague answer or comment
IRRL	Irrelevant (not answered the question)
NUT	Not used the context (generic)
DEV	Not used in this examination
REP	Repetition. The candidate has merely restated what has already been said and so no further credit given.
SEEN	The paragraph or answer has been seen but no reward given.
BP	Blank page

# EVERY QUESTION AND/OR PAGE, INCLUDING BLANK PAGES (use the BP annotation on Q19), <u>MUST HAVE SOME ANNOTATION</u>

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 when the paper is printed out.

Question	Answer	Marks				
	SECTION A					
1	Indicative content: C	1				
2	Indicative content: A	1				
3	Indicative content: C	1				
4	Indicative content: <b>B</b>	1				
5	Indicative content: C	1				
6	Indicative content: A	1				
7	Indicative content: <b>B</b>	1				
8	Indicative content: <b>B</b>	1				
9	Indicative content: <b>B</b>	1				
10	Indicative content: A	1				



Question	Answer	Mark	Guidance
12	Analyse two advantages of setting up your music tuition business as a partnership.  Indicative Content  Different ideas, skills and experience; wider range of services can be offered More tasks can be completed Relatively cheap and easy to set up, i.e., no complex paperwork More manageable workload – e.g. able to take time off or take holidays Decision-making / responsibility can be shared (therefore quicker) More than one person can invest in the business; easier to raise capital Liability (for debts) is shared.  Example responses The partners can bring different skills and experience (1) so I can specialise in guitar tuition whereas my brother can offer piano and singing lessons (APP) which will increase potential demand (1).  Decision making can be shared (1), so decisions about which children (APP) to teach can be made jointly. This will lead to a more profitable business (1).	6	Award one mark for each advantage of a partnership, up to a maximum of two marks  AND  Award one further mark for each application of an advantage in context, up to a maximum of two marks  AND  Award one further mark for an analysis of each advantage (by showing the impact on the business/you), up to a maximum of two marks.  The third mark in each case may be awarded independently from the second mark for application.  Ensure that the two advantages are different.  Ensure the third (analysis) mark is for a tangible impact on the owner/business (e.g., 'so I will be more successful' or 'run more smoothly' is VG)  No reward for 'able to share profits'.
13 <b>(a)</b>	State two sources of secondary market research.  Indicative Content Internal data Books or newspapers etc. Trade magazines Competitors' data Government publication or statistics (e.g., census) Published market research reports (e.g., Mintel).	2	Award one mark for each source identified, up to a maximum of two marks.  Ensure the two sources are clearly different.  'Website' or 'The internet' is VG, unless specifically named sites.

Question	Answer	Mark	Guidance
13 <b>(b)</b>	Explain two advantages of using secondary market research to help plan your music tuition business.  Indicative Content  Low cost (can sometimes be free) Information can be found conveniently/quickly (saves time) A wide range of information can be accessed The data may have already been analysed The research may include a large sample size  Example responses The research is often cheap to access (1) which is important as I do not have a lot of money (APP).  A wide range of information can be accessed (1) so you can quickly refamiliarise yourself with the local market (APP) after being at university.	4	Award one mark for each advantage of using secondary market research, up to a maximum of two marks, PLUS one mark for an application of each advantage in context, up to a maximum of two marks.  Ensure that the two advantages are different.  The explanation needs to show application of the advantage to the context.  No reward for 'it is easy to access'.
14	Explain one advantage and one disadvantage of using a consumer trial for your music tuition business.  Indicative Content Advantages  Can gain feedback from people who have used the service After taking part in the trial the person may become a customer or tell their friends; marketing benefits (which are linked to taking part in the trial) Information acquired is qualitative.  Disadvantages You will not receive any revenue; people may just take advantage of a free product Some customers may not provide honest feedback; provide negative reviews on social media Information about the music lessons may be leaked to competitors The data may be difficult to analyse Takes time to receive any feedback; time is spent providing trials which could have been spent on another business task.	4	Award one mark for an advantage of using a consumer trial and one mark for application in context of this advantage.  Award one mark for a disadvantage of using a consumer trial and one mark for application in context of this disadvantage.  The explanation needs to show application of the advantage/disadvantage to the context.  Answers MUST relate to 'consumer trials' as a sales promotion technique and not trialling a service to see how to improve it.

1007	/01	iviark Scheme		June 2024
Qu	estion	Answer	Mark	Guidance
		Example responses The feedback will relate specifically to my services (1) as the customer will have experienced my lessons (APP).  Customers may not give honest feedback (1) as it is only a free one-hour lesson (APP).		No reward for a disadvantage of just saying 'no profits' (VG)
15	(a)	ARA Using the break-even formula, calculate the difference in the break-even	5	Award full marks for a correct answer of 5
13	(a)	quantity per month for guitar lessons and piano lessons.	3	(with or without workings).
				· •
		<u>Guitar lessons</u>		Award 2 marks for each correct break-even
		<u>550</u>		figure or 1 mark for each correct application of
		<u>550</u> 25 – 5		the formula, if there is a calculation error.
		Break-even = <u>28</u> <b>(2)</b> [Accept 27.5]		
				Award 1 mark for the correct difference
		<u>Piano lessons</u>		between the two break-even points. Award OFR as long as there is evidence that an
		<u>675</u>		attempt has been made to calculate break-
		<del>37 –</del> 7		even.
		Break-even = <u>23</u> <b>(2)</b> [Accept 22.5]		
		<u>== (=) [, tesspt ====]</u>		An answer which adds together each variable
		Difference = <u>5</u> (1) (OFR)		(Fixed cost, Selling price & Variable cost per unit) before calculating one break-even figure (24.5 or 25) can gain 1 mark for correct application of the formula.
				<b>NB:</b> Maximum of 4 marks if final units are incorrect (e.g., £5 is 4 marks).

KU07/U1	wark Scheme		June 2024
Question	Answer	Mark	Guidance
15 <b>(b)</b>	<ul> <li>Indicative Content</li> <li>To help me choose/change what price to charge</li> <li>To help me to analyse the viability/success of my business idea</li> <li>To identify the impact of cost changes</li> <li>To know how many I need to sell to make a profit (not make a loss)</li> </ul>	1	Award one mark for correctly identifying a way you may use the break-even information in your music tuition business.  No reward for 'help to know how many I need to sell' – this is what break-even is, rather
15 <b>(c)</b>	Calculate the forecast profit for guitar lessons for your first year.  Sales revenue = 360 x £25 = £9000 (1)  Variable costs = 360 x £5 = £1800 (1)  Fixed costs = £550 x 12 = £6600 (1)  Profit = £9000 - (£1800 + £6600) = £600 (1) (OFR)  Common wrong answers  Fixed costs not multiplied by 12 [9000 - (1800 + 550) = 6650]  Variable costs ignored [9000 - 6600 = 2400]  Variable cost figure is wrongly calculated [9000 - (6600 + ?) = ?]  In each case, two out of Sales revenue, Variable costs and Fixed costs are correct, and the workings for the 'answer' is clear so 2 ticks and 1 OFR (3)	4	than how you use it.  Correct answer of £600 profit should be awarded full marks (with or without workings)  Award 1 mark for the correct calculation of the sales revenue  Award 1 mark for the correct calculation of variable costs  Award 1 mark for the correct calculation of annual fixed costs  Maximum of 3 marks for an answer for only one month (£50)

R067/01	Mark Scheme		June 2024
Question	Answer	Mark	Guidance
15 <b>(d)</b>	Analyse one advantage of using price penetration for your music tuition business.  Indicative Content  The low price may encourage customers to try my music lessons The low price will help a business establish itself in the market Encourages customers to switch from a competitor The low price is only for a short period so revenue will recover over time.  Example responses The low price may encourage customers to try (1) my new services (APP) which will increase my market share (1).  The price can make my business look more affordable (1). This will help to establish the business in my local town (APP) so that more people will want to buy from me (1).  ARA	3	Award one mark for identifying an advantage of using price penetration AND Award one further mark for application of the advantage in context AND Award one further mark for an analysis of the advantage (by showing the impact on the business/you).  The third mark may be awarded independently from the second mark for application.  Ensure the third (analysis) mark is for a tangible impact on the owner/business.  Ensure that the answer shows knowledge that price penetration involves setting a low price when the business is first launched before awarding any marks.  Any reward for profit as analysis must be when considering the long-term benefits (profit will not increase in the short-term).

R067/	01	Mark Scheme		June 2024
Qu	estion	Answer	Mark	Guidance
16	(a)	Explain one advantage and one disadvantage of gifts from friends as a source of capital for your music tuition business.  Indicative Content Advantages  Does not have to be repaid No interest or fees payable No formal contract No application form to complete / it is a quick process.	4	Award one mark for an advantage of using a gift from friends and one mark for application in context of this advantage.  Award one mark for a disadvantage of using a gift from friends and one mark for application in context of this disadvantage.
		<ul> <li>Disadvantages</li> <li>The arrangement may lead to a disagreement with my friends</li> <li>The friend may try to interfere with decision-making and/or operations of the business</li> <li>The friend may expect something in return</li> <li>The amount of money from this source is limited to the amount of money that the friend has available.</li> <li>Example responses</li> <li>No interest or fees have to be paid (1) which is beneficial as I do not even have enough money to purchase any premises (APP).</li> <li>The amount of money may not be enough (1) especially as the cost of running a car (APP) is not a one-off amount.</li> </ul>		The explanation needs to show application of the advantage/disadvantage to the context.  No reward for a disadvantage of having to pay it back - it is a gift.  No reward for an advantage that you can now afford the car (or any other answers which generally apply to raising capital).

Question	Answer	Mark	Guidance
16 <b>(b)</b>	Other than a gift from friends and family, state three sources of capital for business start-ups.  Indicative Content  (Own) savings  Loans from friends/family members  Loans from financial providers, e.g., banks  Crowdfunding (or named sites such as 'GoFundMe')	3	Award one mark for each source identified, up to a maximum of three marks.  Do not reward gifts from friends as the question excludes this answer.  Ensure each source is clearly different.
	<ul> <li>Grants</li> <li>Business angels</li> <li>Take on another partner</li> <li>Charities</li> </ul>		Accept an answer of which only says 'loan' for a maximum of 1 mark. [Two different sources of loans are needed to award 2 marks.]  'Government' is VG.
17 <b>(a)</b>	Explain one advantage and one disadvantage of using BOGOF to help launch your music tuition business.  Indicative Content Advantages  May attract new customers (to switch from a competitor)  Can be an appealing offer for customers so will get more sales  Can help the business to increase market share  Disadvantages  The sales promotion may be seen as 'cheapening' the value of the product  May take advantage of free offer but not then come back  Loss of revenue/profit.  Example responses  Customers may find a free product appealing (1) so may switch from the competitor offering music lessons (APP).  I will lose half of the revenue (1) and I am only forecast to make £50 profit per month (APP) for guitar lessons.	4	Award one mark for an advantage of using BOGOF and one mark for application in context of this advantage.  Award one mark for a disadvantage of using BOGOF and one mark for application in context of this disadvantage.  The explanation needs to show application of the advantage/disadvantage to the context.  An advantage of 'more sales' (or similar) needs to include a reason why this will happen (e.g. better value, more appealing, you get something for free).
	ARA		

RU0//		Mark Scheme	1	June 2024
	estion	Answer	Mark	Guidance
17	(b)	Other than BOGOF, state two sales promotion techniques used to attract customers.  Indicative Content	2	Award one mark for each technique identified, up to a maximum of two marks.
		<ul> <li>Discounts (<u>not</u> a decrease in price, unless it is clearly temporary) / sales / coupons / promotional codes</li> <li>Competitions / prizes</li> </ul>		Do not reward BOGOF as the question excludes this answer.
		<ul> <li>Point of sale advertising</li> <li>Free gifts</li> </ul>		Ensure each technique is clearly different.
		<ul> <li>Product trials</li> <li>Loyalty schemes (or an example of one)</li> <li>Sponsorship</li> </ul>		Do not accept advertising media (e.g. TV or social media) or public relations activities (e.g. endorsement or product placement).
				Accept clear examples of any of the promotion techniques.
18		Analyse one advantage and one disadvantage of getting support and advice from a family member for your music tuition business.  Indicative Content Advantage:  The advice is free  May feel more comfortable asking the family member questions Flexible – the advice is available at any time and on repeat occasions  Disadvantage:  The advice may be inaccurate or out of date Advice may not be relevant / lack of experience Advice may not be given in a professional manner	6	Award one mark for an advantage of getting support and advice from a family member AND  Award one further mark for an application of the advantage in context AND  Award one further mark for an analysis of the advantage (by showing the impact on the business/you).  Award one mark for a disadvantage of getting support and advice from a family member
		Example responses I can ask my mum for advice at any time (1) about things such as how to work out break-even quantity (APP). This will make my forecasting more accurate (1).		AND Award one further mark for an application of the disadvantage in context AND Award one further mark for an analysis of the disadvantage (by showing the impact on the business/you).

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Question	Answer	Mark	Guidance	
	The advice may not be relevant (1) as my mum's business is in childcare (APP) not music tuition which may result in bad decisions reducing customer demand (1).  ARA		The third mark in each case may be awarded independently from the second mark for application.  Ensure the third (analysis) mark is for a	
			tangible impact on the owner/business (e.g., 'so I will be less successful' or 'it will not be beneficial for my business' is VG.)	

Discuss whether you should advertise using SMS texts or weekly social media posts. Your recommendation should include:  an advantage and a disadvantage of using SMS texts  an advantage and a disadvantage of using weekly social media posts  a justification for your decision.  Indicative Content SMS texts  Advantages may include:  Can target specific customers using the contact details they have supplied (NB: No reward for being able to achieve a wider audience as SMS is a focused approach).  Low cost Customers can read the text message quickly Can be hard to ignore as message will 'ping' onto home screen Can include a link to the business's website.  Disadvantages may include:  Messages need to be short so can only include limited information This is a levels of response question – the marks will be awarded on the quality of response given.  Level 3 checklist top of level - justified decision made using appropriate context. bottom of level - clear decision without appropriate use of context.  Disadvantages may include: Messages need to be short so can only include limited information This is a levels of response question – the marks will be awarded on the quality of response given.  Level 3 checklist top of level - justified decision made using appropriate context. bottom of level - clear decision without appropriate use of context.  Disadvantage and a disadvantage of both SMS texts and social  Customers may delete the message before reading it Customers may block the business's number / opt out of texts  Disadvantage of both SMS texts and social
<ul> <li>Customers may block the business's number / opt out of texts</li> <li>Only some customers will sign up for SMS texts / you only have access to numbers of current customers or those who have signed up</li> <li>A customer may change their number so they no longer receive the text messages</li> <li>Customers may be wary of text messages as they are often used by fraudsters / seen as spam.</li> <li>SMS texts and social media posts, with at least one relevant piece of context.</li> <li>mid-level - considers an advantage and a disadvantage of both SMS texts and social media posts.</li> <li>Shouth media posts and advantage of both shouth options</li> <li>Can use video and audio</li> </ul>

- It is a free/cheap way of advertising
- Adverts can reach customers internationally.

#### Disadvantages may include:

- Some customers may not be on social media
- There is a risk that some customers may post negative comments
- Potential consumers may scroll past / ignore the posts / not see often
- It can be time consuming to update and monitor to social media regularly.

#### Application may include:

- Grew up in a family of talented musicians
- Left university with a degree in music
- Set up business in partnership with brother
- Business located in town that you grew up
- Business will offer lessons to children in their own homes but the customer will be the parent/guardian
- It is providing a service
- You do not have a lot of money (to operate from your own premises)
- You will offer guitar lessons
- Your brother will other piano and singing lessons
- You were at university for three years
- You lived 200 miles away whilst at university
- You have become unfamiliar with the local market as you have been away for three years
- You identified high potential demand for the business before starting university
- You use secondary market research to assess potential demand
- You offer a free one-hour music lesson as a consumer trial to five local children
- Financial data given in Q15
- You forecast that you will deliver 360 one-hour guitar lessons during the first year
- You use price penetration
- You receive money as a gift from your friend to buy and run a car
- A local competitor offers music tuition
- You offer buy one, get on free on music lessons for the first month
- Mother runs a successful childcare business

either SMS texts or social media posts.

Level 1 checklist top of level - considers an advantage or a disadvantage of either SMS texts or social media posts, with at least one relevant piece of context.

mid-level - considers an advantage or a disadvantage of either SMS texts or social media posts.

bottom of level identifies some relevant information about SMS texts <u>or</u> social media posts.

- makes limited use of appropriate context
- uses some appropriate terminology
- shows sound understanding

Level 1 (1-3 marks)
A basic discussion which:

- shows limited analysis of an advantage or a disadvantage of an option
- makes limited use of appropriate context
- makes limited or no use of appropriate terminology
- shows limited understanding

**0 marks** – no response or no response worthy of credit.

**ARA** 

three years (APP) so will not have many mobile numbers for potential customers

immediately.

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