



General Certificate of Education

Business Studies 5131

**BUS2 People and Operations
Management**

Mark Scheme

2008 examination - January series

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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General Marking Guidance

You should remember that your marking standards should reflect the levels of performance of Advanced Subsidiary Level candidates, mainly 17 years old, writing under examination conditions.

The level of demand of this unit is that expected of candidates half-way through a full A Level course.

Positive Marking

You should be positive in your marking, giving credit for what is there rather than being too conscious of what is not. Do not deduct marks for irrelevant or incorrect answers as candidates penalise themselves in terms of the time they have spent.

Mark Range

*You should use the whole mark range available in the marking scheme. Where the candidate's response to a question is such that the mark scheme permits full marks to be awarded, full marks **must** be given. A perfect answer is not required. Conversely, if the candidate's answer does not deserve credit, then no marks should be given.*

The use of Levels of Response

Levels of response marking has holistic aspects, yet must conform to the rule of positive marking. A candidate who has built a strong argument must have that achievement recognised fully, even if a subsequent paragraph of ambiguity reduces the power of the whole. For this to occur consistently requires careful annotation of the level of response achieved within each skill category, at each significant stage within an answer.

Fundamental to a Levels of Response approach is that there may be more than one right answer to a written question. Examiners must use their professional judgement to credit any reasonable answer, whether or not it is listed on the mark scheme.

Levels of response marking requires examiners to follow the logic of a candidate's answer. A concept that would receive credit for knowledge in one context could become a means of analysis in another. It is also possible that a candidate's line of argument could validate knowledge that would not have been recognised if the candidate had simply tabled it. For example, acid test is not listed within the specification as a test of financial efficiency, yet a candidate could build an argument that made it relevant. Then knowledge could be rewarded as well as analysis.

Despite the value of skills such as analysis and evaluation, all answers must be based upon relevant knowledge and understanding. Therefore, it is not possible to credit application, analysis or evaluation unless recognisable knowledge has been rewarded.

The skills we seek from candidates are as follows:

- 1 Knowledge and understanding: accurate definitions or explanations of relevant terms should always be credited within this category; candidates can also gain credit for knowing and explaining a point relevant to the question, eg an advantage of factoring.
- 2 Application is the skill of bringing knowledge to bear to the business context faced by the candidate. Candidates should not be rewarded for simply dropping the company name or product category into their answer; the response must show recognition of some specific business aspect of the firm, its management or its situation.
- 3 Analysis: building up an argument using relevant business theory in a way that answers the question specifically and shows understanding of cause and effect.
- 4 Evaluation is judgement. This can be shown within an answer, through the weighting of an argument or in the perceptiveness shown by the candidate (perhaps about the degree of crisis/strength of the XYZ Company). It can also be shown within a conclusion, perhaps by weighing up the strength of the candidate's own arguments for and against a proposition. Evaluation is **not** shown simply by the use of drilled phrases such as "On the other hand" or "Business operates in an ever-changing environment". It is shown through the weighting of the candidate's response plus the logic and justification of his/her conclusions.

Quality of Language

The GCSE and GCE A/AS Code of Practice requires the assessment of candidates' quality of written communication wherever they are required to write in continuous prose. In this unit, this assessment will take place for each candidate's script as a whole by means of the following marking criteria.

LEVEL 3	Moderately complex ideas are expressed clearly and reasonably fluently, through well linked sentences and paragraphs. Arguments are generally relevant and well structured. There may be occasional errors of grammar, punctuation and spelling.	3 marks
LEVEL 2	Straightforward ideas are expressed clearly, if not always fluently. Sentences and paragraphs may not always be well connected. Arguments may sometimes stray from the point or be weakly presented. There may be some errors of grammar, punctuation and spelling, but not such as to suggest a weakness in these areas.	2 marks
LEVEL 1	Simple ideas are expressed clearly but arguments may be of doubtful relevance or obscurely presented. Errors in grammar, punctuation and spelling may be noticeable and intrusive, suggesting a weakness in these areas.	1 mark

Total 3 marks

1**Total for this question: 6 marks**

Outline **two** benefits that might have resulted from the use of job enrichment in the Props and Scenery factory at Hessle.

(6 marks)

	Content 3 marks	Application 3 marks
Level 3	3 marks Identifies two benefits and shows some understanding of job enrichment or identifies one benefit and shows good understanding of job enrichment	
Level 2	2 marks Identifies two benefits or identifies one benefit and shows some understanding of job enrichment or shows good understanding of job enrichment	3 marks Effective application of the point(s) made in relation to G&N
Level 1	1 mark Identifies one benefit or shows some understanding of job enrichment	2–1 marks Some application of the point(s) made in relation to G&N

Definition: The attempt to motivate by giving employees the opportunity to use their abilities and provide them with additional responsibilities.

Relevant answers might include the following:

- motivational benefits such as productivity, lower absenteeism, labour turnover
- the Hessle factory employed job production methods which would provide opportunities for job enrichment
- the workforce were skilled and would welcome job enrichment
- links with the democratic management style adopted
- the theatre companies rated the quality of goods and service highly
- lower staff turnover.

2**Total for this question: 8 marks**

Analyse **two** possible reasons why Total Quality Management was introduced in the Hessle factory instead of the quality control methods that were used at Hull. **(8 marks)**

	Content 2 marks	Application 2 marks	Analysis 4 marks
Level 2	2 marks Candidate identifies two reasons or explains one reason or shows good understanding of TQM/QC	2 marks Relevant issue(s) are applied in detail to the case	4–3 marks Effective analysis of the question set
Level 1	1 mark Candidate identifies one reason or shows some understanding of TQM/QC	1 mark Some application to issue(s) in the case	2–1 marks Limited analysis of the question set

Definitions:

TQM: The attempt to establish a culture of quality affecting the attitudes and actions of every employee.

QC: To maintain standards of quality through a team of inspectors.

Relevant answers might include the following:

- the theatre companies demanded high quality props – this is a key factor
- TQM, in theory, should achieve 100% perfect quality – this is not the case with QC
- there had been quality problems at Hull with faulty and broken products plus incorrect deliveries
- TQM fits in with the democratic management approach adopted at the Hessle factory as opposed to the autocratic approach at Hull
- the workers at Hessle were skilled and involved in decision-making which links with TQM in contrast to the Hull workers
- TQM involves everyone in checking quality rather than just inspectors used in QC.

3**Total for this question: 15 marks**

To what extent do you think that the production methods at the Hessle factory should become more capital intensive in the future? **(15 marks)**

	Content 3 marks	Application 3 marks	Analysis 4 marks	Evaluation 5 marks
Level 3	3 marks Identifies two arguments and shows some understanding of capital intensive production or identifies one argument and shows good understanding of capital intensive production			5 marks Judgement shown in weighing up the arguments with clear conclusion
Level 2	2 marks Identifies two arguments or identifies one argument and shows some understanding of capital intensive production or shows good understanding of capital intensive production	3 marks Relevant issue(s) applied in detail to the case	4–3 marks Effective analysis of the question set	4–3 marks Judgement shown in weighing up the argument(s)
Level 1	1 mark Identifies one argument or shows some understanding of capital intensive production	2–1 marks Some application to issue(s) in the case	2–1 marks Limited analysis of the question set	2–1 marks Some judgement shown in text or conclusion

Definition: Capital intensive production uses a high level of machinery and equipment as opposed to labour.

Arguments against might include the following:

- the success of the Props and Scenery Division can partly be attributed to the labour intensive job production methods
- job production had produced good quality goods
- it had provided job enrichment for the workforce resulting in motivational benefits
- the workers were skilled and used to job production methods – would they react negatively to more capital intensive methods?
- redundancy issues that could result from the move to capital intensive methods
- initial cost plus breakdown of equipment would be expensive.

Arguments for might include the following:

- sales objective of a 20% increase per annum – capital intensive production would be able to meet this increased output better
- G&N have a reputation for reliability – capital intensive production is usually faster and more efficient, enabling orders to be met on time
- the greater efficiency of capital intensive production would enable G&N to remain competitive, especially as there are new entrants to the market
- reduced labour costs - George was unhappy about the wage levels.

Evaluative points might include the following:

- how important to the future success of G&N is the flexibility they can offer to customers thanks to job production?
- would the benefits of moving to more capital intensive methods outweigh the problems?

4**Total for this question: 6 marks**

Explain **two** possible reasons why *G&N Ltd* used external recruitment. (6 marks)

	Content 3 marks	Application 3 marks
Level 3	3 marks Identifies two reasons and shows some understanding of external recruitment or identifies one reason and shows good understanding of external recruitment	
Level 2	2 marks Identifies two reasons or identifies one reason and shows some understanding of external recruitment or shows good understanding of external recruitment	3 marks Effective application of the point(s) made in relation to <i>G&N</i>
Level 1	1 mark Identifies one reason or shows some understanding of external recruitment	2–1 marks Some application of the point(s) made in relation to <i>G&N</i>

Definition: The process of attracting and selecting employees from outside the organisation.

Relevant answers might include the following:

- wider choice and availability – there were high levels of local unemployment
- availability of skilled workers that could be poached from a local firm experiencing financial difficulties
- new ideas and experiences
- *G&N* was determined to help the local economy by creating jobs in the local community
- experience from outside will assist *G&N* in its future expansion.

5**Total for this question: 15 marks**

Sara relied heavily on delegation to run the Props and Scenery Division at Hessle. Discuss the arguments **for** and **against** introducing more delegation in the Conference and Office Equipment Division at Hull. (15 marks)

	Content 3 marks	Application 3 marks	Analysis 4 marks	Evaluation 5 marks
Level 3	3 marks Identifies two arguments and shows some understanding of delegation or identifies one argument and shows good understanding of delegation			5 marks Judgement shown in weighing up the argument(s) with clear conclusion
Level 2	2 marks Identifies two arguments or identifies one argument and shows some understanding of delegation or shows good understanding of delegation	3 marks Relevant issue(s) applied in detail to the case	4–3 marks Effective analysis of the question set	4–3 marks Judgement shown in weighing up the argument(s)
Level 1	1 mark Identifies one argument or shows some understanding of delegation	2–1 marks Some application to issue(s) in the case	2–1 marks Limited analysis of the question set	2–1 marks Some judgement shown in text or conclusion

Definition: The passing of authority down the organisation's hierarchy.

Arguments for might include the following:

- motivational benefits – reference to Maslow, Herzberg, Mayo and McGregor Theory Y
- better decision-making
- improved performance – the Props and Scenery Division was the most successful part of the company.

Arguments against might include the following:

- the workers in the Hull factory were unskilled – would they be interested in taking on extra authority?
- the Hull factory employed flow production as opposed to the job production at Hessle – this would offer fewer opportunities for delegation
- the workers at Hull are used to being treated in an autocratic way – how would they respond to a different approach?

Evaluative points might include the following:

- would Neela be able to change her management approach?
- would the workers at Hull want to be involved more?