



General Certificate of Education

Business Studies 5131

BUS2 People and Operations Management

Mark Scheme

2005 examination - June 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.

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 requires examiners to follow the logic of a candidate's answer. A concept which would receive credit only for knowledge in one context could become a means of analysis in another. For instance, in the question: "Discuss the BGD Company's marketing strategy", a candidate who writes: "approaches to a strategy include SWOT and the Boston Matrix" is showing knowledge. A brief, accurate explanation of the Matrix shows understanding, whereas a candidate who uses the Matrix to examine the BGD Company's case is showing the skill of analysis. **Please note that there are other ways to show analysis.***

*What then of evaluation? This is the hardest skill to define because judgement can only be shown in context - and that context is not only the one set in the assessment unit, but also by the candidate's own answer. Evaluation is **not** shown by drilled phrases or approaches such as: "On the other hand ..." or "Business operates in an ever-changing ...". It is shown through the weighting of the candidate's arguments, the logic (and justification) of his/her conclusions.*

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.

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|---------|--|----------------|
| 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 Outline **two** methods of selection that Ling is likely to have used to hire the Works Manager for *Wei Foods Ltd* (see **Section D**). (6 marks)

	Content 3 marks	Application 3 marks
Level 2	3 marks Clear explanation of the term and/or method(s), showing good understanding	3 marks Effective application of the point(s) made in relation to <i>Wei Foods Ltd</i>
Level 1	2-1 marks Some explanation of the term and/or method(s), showing some understanding	2-1 marks Some application of the point(s) made in relation to <i>Wei Foods Ltd</i>

Content/Application – methods include:

- Application forms and CV would have had a lot of information about candidates' experiences – easy for Ling to select/shortlist on that basis.
- Interviews could have been used in conjunction with job descriptions to find the right person for the job – need for experience could have been established via questions.
- Aptitude and psychometric tests could have been used to establish candidates suitability for such a job – skills needed to run a large factory such as the Northampton one.
- Role play or other selection methods could have been used to establish suitability.
- Any other reasonable selection method suitably applied.
- Headhunting.

2 Analyse the difficulties that might have been experienced by the business when the switch was being made from job to batch production at the larger restaurant (see **Section B**). (8 marks)

	Content 2 marks	Application 2 marks	Analysis 4 marks
Level 2	2 marks Good understanding shown of either the term or relevant difficulty(s) explained	2 marks Relevant issue(s) applied in detail to the case	4-3 marks Analysis of the question set using relevant theory
Level 1	1 mark Some understanding of the term or relevant difficulty described	1 mark Some application to issue(s) in the case	2-1 marks One or two point(s) used to analyse the question in a limited way

Possible answers may include:

- Training implications of higher skills or broader range of skills.
- Opposite of above – would batch production require fewer skills – particularly in relation to the highly skilled chefs?
- Loss of flexibility – important with a high quality product such as this.
- Careful planning needed to ensure best use of workers/machinery.
- Motivational impact of fewer tasks to be done.
- Stock problems with work in progress. Would the restaurant lose stock if food pre-prepared is not ordered?

3 Discuss the extent to which economies and diseconomies of scale might have influenced the development of Jack’s and Ling’s businesses. (15 marks)

	Content 3 marks	Application 3 marks	Analysis 4 marks	Evaluation 5 marks
Level 3				5 marks Judgement shown in weighing up the influence of economies and/or diseconomies of scale for the development of businesses, with clear conclusions
Level 2	3 marks Good understanding shown of the term(s) or relevant point(s) explained	3 marks Relevant issue(s) applied in detail to the case	4-3 marks Analysis of the question using relevant theory	4-3 marks Judgement shown in weighing up the issues
Level 1	2-1 marks Some understanding of the term(s) or relevant point(s) made	2-1 marks Some application to the issue(s) in the case	2-1 marks One or two points to analyse the question in a limited way	2-1 marks Some judgement shown

Economies of Scale:

- Examples include technical economies from larger scale production either in the early days when the larger restaurant was opened or when *Wei Foods Ltd* first opened the Northampton factory.
- As above in relation to the specialisation as production moved from job to batch and then to flow.
- Purchasing economies in relation to increased scale of production at Northampton factory.
- Appointment of specialist managers.

Diseconomies of Scale:

- Examples include co-ordination problems of a larger business - eg as when operating at or near capacity.
- Motivation problems apparent in batch production area and evidenced by high labour turnover.
- The possibility of declining quality **or** increased difficulty of maintaining quality with mass production.
- Communication issues in factory.

Evaluation:

- Any judgement as to relative weight of benefits of economies of scale compared to the costs of diseconomies of scale.
- Judgement about whether the benefits of economies of scale were inevitable and diseconomies of scale avoidable.

4 Explain **two** possible benefits that *Wei Foods Ltd* might have gained from adopting simultaneous engineering (see **Section D**). *(6 marks)*

	Content 3 marks	Application 3 marks
Level 2	3 marks Clear explanation of the term or the benefits(s), showing good understanding	3 marks Effective application of the point(s) made in relation to <i>Wei Foods Ltd</i>
Level 1	2-1 marks Some explanation of the term or the benefit(s), showing some understanding	2-1 marks Some application of the point(s) made in relation to <i>Wei Foods Ltd</i>

Possible answers include:

- Reduction in time from initial decision and completion of investment – clear need for speed in relation to supermarket order.
- Reductions in cost/improvement in cash flow as a consequence of reduced lead time – a £2 million investment is substantial and failure would incur financial penalties.
- Complex investment project needed close supervision over the 3 months of its development.
- Successful completion of this investment would establish a position of strength for future orders.
- Neither Jack nor Ling had any experience in such a large scale project, so this would have helped them plan it.

5 Discuss whether Ling’s leadership style was always effective. (15 marks)

	Content 3 marks	Application 3 marks	Analysis 4 marks	Evaluation 5 marks
Level 3				5 marks Judgement shown in weighing up the effectiveness of Ling’s leadership style, with clear conclusions
Level 2	3 marks Good understanding shown of the term and/or relevant point(s) explained	3 marks Relevant issue(s) applied in detail to the case	4-3 marks Analysis of the question using relevant theory	4-3 marks Judgement shown in weighing up the effectiveness of Ling’s leadership style
Level 1	2-1 marks Some understanding of the term shown or relevant point(s) made	2-1 marks Some application to issue(s) in the case	2-1 marks One or two points to analyse the question in a limited way	2-1 marks Some judgement shown

Possible answers include:

- Evidence she is a democratic leader – early on she insists on seeing the workforce face-to-face to announce redundancies.
- Ling appears to want to delegate authority to workers – hired various management positions in production, personnel and finance.
- Narrow span of control – suggests autocratic management style.
- Some evidence of autocracy in the way she intervenes in many of the production issues.
- Evidence of poor communication – she did not know about the innovations being introduced by the assembly manager.
- Paternalistic – when she explained reasons for redundancies to restaurant employees.

Evaluative points might include:

- Any judgement about suitability of effectiveness of style in relation to *Wei Foods Ltd*.
- Appropriate style may change as *Wei Foods Ltd* developed to a multi-million pound turnover, mass food producer.
- Judgements that suggest different styles are appropriate in different circumstances.
- Comments on team-based management might be appropriate.