



National  
Qualifications  
2022

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# **2022 Business Management**

## **Higher**

### **Finalised Marking Instructions**

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## General marking principles for Higher Business Management

*Always apply these general principles. Use them in conjunction with the detailed marking instructions, which identify the key features required in candidates' responses.*

- (a) Always use positive marking. This means candidates accumulate marks for the demonstration of relevant skills, knowledge and understanding; marks are not deducted for errors or omissions.
- (b) If a candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.
- (c) For **describe** questions, candidates must make a number of relevant, factual points up to the total mark allocation for the question. These should be key points; they do not need to be in any particular order. Candidates may provide a number of straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question:

- award **1 mark** for each accurate relevant point of knowledge
- award a second mark for any point that is developed from the point of knowledge.

- (d) For **explain** questions, candidates must make a number of points that relate cause and effect and/or make the relationships between things clear, for example by showing connections between a process/situation. These should be key reasons and may include theoretical concepts. There is no need to prioritise the reasons. Candidates may provide a number of straightforward reasons or a smaller number of developed reasons, or a combination of these.

Up to the total mark allocation for this question:

- award **1 mark** for each accurate relevant point of reason
- award a second mark for any other point that is developed from the same reason.

For each relevant point of reason candidates must give a point of identification and a point of explanation to gain a mark. This is exemplified in the marking instructions, a dash (—) is used to show the two parts of the response.

- (e) For **compare** questions, candidates must demonstrate knowledge and understanding of similarities and/or differences between things, methods or choices. The relevant comparison points could include theoretical concepts.

Up to the total mark allocation for this question:

- award **1 mark** for each accurate point of comparison.

- (f) For **discuss** questions, candidates must make a number of points that communicate issues, ideas, or information about a given topic or context that will make a case for and/or against. They do not always need to give both sides of the debate in their response.

Up to the total mark allocation for this question:

- award **1 mark** for any accurate point of knowledge that is clearly relevant
- award a second mark for any point that is developed from the point of knowledge.

Where a mark is available for the development of a response this is exemplified in the marking instructions, a hollow bullet point is used to show the developed response.

## Marking instructions for each question

### Section 1

Question			Expected response(s)	Max mark	Additional guidance										
1.	(a)	(i)	Responses could include	2	Award <b>1 mark</b> for each valid comparison.  Accept any other suitable response.										
			<table><tr><td></td><td>Police Scotland</td><td rowspan="3">whereas</td><td>PLC</td></tr><tr><td>Ownership</td><td>Government</td><td>Shareholders</td></tr><tr><td>Control</td><td><ul style="list-style-type: none"><li>• Government</li><li>• Senior Management Team</li><li>• Chief Constable</li></ul></td><td>Board of Directors</td></tr></table>		Police Scotland	whereas	PLC	Ownership	Government	Shareholders	Control	<ul style="list-style-type: none"><li>• Government</li><li>• Senior Management Team</li><li>• Chief Constable</li></ul>	Board of Directors		
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Question			Expected response(s)	Max mark	Additional guidance
		(ii)	<p>Responses could include</p> <p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• reduce staff turnover</li> <li>• reduce staff stress/absenteeism</li> <li>• reduce staff grievances</li> <li>• reduce disciplinary cases</li> <li>• increase recruitment applicant numbers</li> <li>• provide training to police officers</li> <li>• reduce staffing expenditure</li> </ul> <p><b>Finance</b></p> <ul style="list-style-type: none"> <li>• spend taxpayer's money wisely</li> <li>• stay within budget</li> <li>• reduce expenditure</li> </ul> <p><b>Marketing</b></p> <ul style="list-style-type: none"> <li>• improve reputation/image</li> <li>• better promote safety in society</li> <li>• increase followers/presence on social media</li> <li>• increase public awareness of the police role in society</li> </ul>	3	<p>Candidates must describe <b>one</b> objective for each functional area to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Accept any other suitable response.</p> <p>Watch for repetition between functional areas.</p>

Question			Expected response(s)	Max mark	Additional guidance
	(b)	(i)	<p>Responses could include</p> <ul style="list-style-type: none"> <li>• <b>planning</b> - setting targets for policing to meet Scottish Government aims</li> <li>• <b>organising</b> - booking regular meetings with various departments <ul style="list-style-type: none"> <li>○ effective personal organisation such as using an e-diary or to-do-list to prioritise work and manage time</li> </ul> </li> <li>• <b>controlling</b> - ensuring policing resources are spent within budget</li> <li>• <b>coordinating</b> - carry out workforce planning to ensure there are enough police officers and support staff in the right place to do the job</li> <li>• <b>commanding</b> - showing assertive and strong leadership to make decisions</li> <li>• <b>delegating</b> - giving work to other members of the Senior Management Team</li> <li>• <b>motivating</b> - rewarding police officers for excellent performance</li> </ul>	3	<p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Response <b>must</b> include <b>POCCCDM</b> labels to gain marks.</p> <p>Accept any other suitable response.</p>
		(ii)	<p>Responses could include</p> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• many levels of management - may mean better supervision</li> <li>• possibly more promotion opportunities - reducing staff turnover</li> <li>• can allow for more specialisation - improved quality of work</li> </ul> <p><b>Cost</b></p> <ul style="list-style-type: none"> <li>• increased management salaries - due to many levels of management</li> <li>• may slow communication - due to a long chain of command</li> <li>• organisation may be slow to react to changes - due to the length of hierarchy</li> </ul>	2	<p>Candidates must explain <b>one</b> cost and <b>one</b> benefit to gain full marks.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(c)	<p>Responses could include</p> <ul style="list-style-type: none"> <li>• <u>lockdown restrictions/officers needed</u> - will have to carry out workforce planning <ul style="list-style-type: none"> <li>○ newly recruited officers increase induction training costs</li> </ul> </li> <li>• <u>COVID-19</u> - increased costs incurred to purchase PPE for officers</li> <li>• <u>unusual circumstances due to Brexit</u> - could put Police Scotland under financial pressure</li> <li>• <u>Scottish Government increases budget to £1.3 billion</u> - will help the force meet its objectives by having more funding to improve safety/welfare for citizens</li> <li>• <u>in 2011 Scottish Government decided to create a single police service</u> - this could have improved the efficiency of Police Scotland</li> <li>• <u>advancing communication technology</u> - may enable Police Scotland to offer remote/home working to some officers</li> <li>• <u>phasing out of petrol/diesel vehicles by 2030</u> - the force will need to replace its fleet vehicles with electronic/hybrid cars</li> <li>• <u>COP26 summit</u> - may require overtime for officers to monitor/control the area</li> <li>• <u>low crime</u> - allows Police Scotland to redirect policing resources to higher demand areas/departments</li> <li>• <u>Met Office yellow warning</u> - could increase road accidents, requiring police time</li> </ul>	4	<p>Candidates must explain the impact of at least 2 external factors to gain full marks.</p> <p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for each valid development.</p> <p>Points <b>must</b> impact on Police Scotland/the organisation.</p> <p>Accept any other suitable response.</p>

Question			Expected response(s)	Max mark	Additional guidance
	(d)	(i)	<p>Responses could include</p> <p><b>Application form</b></p> <ul style="list-style-type: none"> <li>• useful for comparing responses</li> <li>• questions can be specific to Police Scotland's requirements</li> <li>• does not reveal the candidate's interpersonal skills and qualities</li> </ul> <p><b>Standard entrance test (SET)</b></p> <ul style="list-style-type: none"> <li>• can be stressful for candidates</li> <li>• can test evidence claims made in the application form</li> <li>• can be used to quantify a candidate's ability for comparison with others</li> </ul> <p><b>Interview</b></p> <ul style="list-style-type: none"> <li>• interviewers can ask specialist questions</li> <li>• assess how the candidate operates under pressure</li> <li>• can judge a candidate's appearance, personality, communication etc</li> <li>• can be stressful for candidates</li> <li>• can be expensive to carry out</li> </ul> <p><b>Vetting</b></p> <ul style="list-style-type: none"> <li>• highlights concerns that the candidate may have omitted on their application</li> </ul>	6	<p>Candidates must discuss at least <b>one</b> advantage and <b>one</b> disadvantage to gain full marks.</p> <p>Maximum <b>5 marks</b> for any one method discussed.</p> <p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Watch for repetition between methods.</p> <p>Watch for flips.</p> <p>Do not award <b>direct</b> lifts from the case study.</p> <p>Accept any other suitable response.</p>

Question			Expected response(s)	Max mark	Additional guidance
			<b>Fitness and medical assessment</b> <ul style="list-style-type: none"> <li>ensures the candidate is fit enough to be able to undertake the job</li> <li>a qualified doctor means the test is credibly carried out</li> </ul> <b>Assessment centre</b> <ul style="list-style-type: none"> <li>assess practical skills which are not as easily proven by other selection methods</li> <li>assess how candidates interact with others</li> <li>candidates may not have a chance to shine due to other candidates' dominant personalities</li> <li>can take a lot of time to complete</li> <li>can be costly to run</li> </ul>		
	(d)	(ii)	Responses could include <ul style="list-style-type: none"> <li>job adverts should not use discriminatory language, for example 'young male'</li> <li>application forms should be available in audio or braille formats</li> <li>a date of birth/age/gender request may be omitted from the application form</li> <li>a panel interview is objective as it reduces the chance of discrimination</li> <li>avoid questions relating to the nature of the disability or pregnancy</li> <li>testing time should be extended for learning difficulties, for example dyslexia</li> <li>the venue for the assessment centre and interview must be accessible, for example have a ramp or a lift for disabled candidates</li> </ul>	2	Candidates must describe 2 ways to gain full marks.  Award 1 mark for each valid description.  Accept any other suitable response.



Question			Expected response(s)	Max mark	Additional guidance
	(e)	(i)	<p>Responses could include</p> <ul style="list-style-type: none"> <li>• can compare actual to estimated performance – which can help with planning policing staffing costs in the future</li> <li>• can highlight areas of overspending – to allow for evaluation/investigation</li> <li>• can highlight areas of overspending – to arrange for additional finance in advance</li> <li>• can highlight areas within budget – which can be used to reward effective financial management</li> <li>• to forecast trends – which can be used for long-term decision making</li> <li>• to forecast spending – which can be used to help the Chief Constable secure future funds, for example request for the Police Scotland’s annual budget to be increased</li> </ul>	2	<p>Candidates must explain 2 reasons to gain full marks.</p> <p>Award 1 mark for each valid explanation.</p> <p>Accept any other suitable response.</p>
		(ii)	<p>Responses could include</p> <ul style="list-style-type: none"> <li>• Police Scotland may have to downsize</li> <li>• may have to make cost savings</li> <li>• more staff can be recruited</li> <li>• Police Scotland may have more staff available to improve its service</li> <li>• may have to request a greater annual budget from the Scottish Government <ul style="list-style-type: none"> <li>○ this may increase the Scottish Government’s debt figure</li> <li>○ other public services may face cutbacks</li> </ul> </li> <li>• Scottish Government may have to increase taxation</li> </ul>	2	<p>Award 1 mark for each valid description.</p> <p>Award 1 mark for a valid development.</p> <p>Accept any other suitable response.</p>

Question			Expected response(s)	Max mark	Additional guidance
	(f)		<p>Responses could include</p> <p><b>Costs</b></p> <ul style="list-style-type: none"> <li>• only available to citizens with a social media account</li> <li>• negative comments are public <ul style="list-style-type: none"> <li>○ so can affect Police Scotland's image</li> </ul> </li> <li>• account may be susceptible to hacking, fraud or viruses</li> <li>• requires constant monitoring and updating <ul style="list-style-type: none"> <li>○ which can be labour intensive</li> <li>○ can increase wage costs</li> </ul> </li> </ul> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• access to a huge number of citizens who use social media <ul style="list-style-type: none"> <li>○ increase public awareness of Police Scotland's work</li> </ul> </li> <li>• cheaper advertising platform than traditional methods, for example TV/radio etc</li> <li>• can be a free to use social media</li> <li>• adverts may be targeted to citizens based on internet history</li> <li>• post can be shared making them viral</li> <li>• video, animation and images can be used in posts</li> <li>• can raise awareness of charity work</li> </ul>	4	<p>Candidates must discuss at least <b>one</b> cost and <b>one</b> benefit to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept any other suitable response.</p>

## Section 2

Question			Expected response(s)	Max mark	Additional guidance
2.	(a)		<p>Responses could include</p> <ul style="list-style-type: none"> <li>• organisations hold small amounts of inventory</li> <li>• relies on suppliers to deliver inventory when it is required</li> <li>• money is not tied up in inventory</li> <li>• low storage costs</li> <li>• wastage is reduced</li> <li>• fashion changes should have less of an impact on the amount of inventory that becomes obsolete</li> <li>• can be used to receive high quality inventory</li> <li>• production may stop if deliveries are not made on time</li> <li>• bulk buying discounts may be lost</li> <li>• delivery/admin costs may increase</li> </ul>	5	<p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Watch for repetition.</p> <p>Accept any other suitable response.</p>
	(b)		<p><b>Quality control</b></p> <ul style="list-style-type: none"> <li>• products are checked at the start/end of production to ensure faulty good do not reach customers</li> <li>• production is not continually interrupted for checks</li> </ul> <p><b>Quality assurance</b></p> <ul style="list-style-type: none"> <li>• picks up problems as soon as possible</li> <li>• keeps waste levels low</li> <li>• as faults are detected early it may be possible to recycle/rework the products</li> </ul> <p><b>Benchmarking</b></p> <ul style="list-style-type: none"> <li>• ensures product is as good as the market leader/competitor</li> <li>• saves time on developing own method</li> <li>• helps to identify how improvements can be made</li> </ul>	3	<p>Candidates must justify the use of each quality measure to gain full marks.</p> <p>Award <b>1 mark</b> for each valid justification.</p> <p>Accept any other suitable response.</p> <p>Watch for repetition</p>

Question			Expected response(s)	Max mark	Additional guidance
	(c)		<p>Responses could include</p> <ul style="list-style-type: none"> <li>• skills of the workforce</li> <li>• the quantity of the product that needs to be made</li> <li>• the required quality of the product</li> <li>• initial set up costs involved</li> <li>• the resources available to the business</li> <li>• if each product needs to be identical (standardised)/needs to be unique</li> </ul>	4	<p>Candidates must describe at least <b>2</b> factors to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Watch for flips.</p> <p>Accept any other suitable response.</p>
	(d)		<p>Responses could include</p> <p><b>Advantages of CAD</b></p> <ul style="list-style-type: none"> <li>• more accurate design process <ul style="list-style-type: none"> <li>○ meaning less wastage</li> </ul> </li> <li>• faster than hand drawing designs</li> <li>• amendments can be made without having to rebuild prototypes</li> <li>• images can be seen in 3D <ul style="list-style-type: none"> <li>○ will allow you to have an idea of how the finished product will look</li> </ul> </li> <li>• images can be easily used for marketing purposes</li> </ul> <p><b>Disadvantages of CAD</b></p> <ul style="list-style-type: none"> <li>• the software is expensive to purchase <ul style="list-style-type: none"> <li>○ expensive to upgrade/maintain</li> </ul> </li> <li>• takes time to train staff to use the software <ul style="list-style-type: none"> <li>○ can be costly to train staff</li> </ul> </li> </ul>	3	<p>Candidates must describe at least <b>one</b> advantage and <b>one</b> disadvantage to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for a valid development.</p> <p>Accept any other suitable response.</p>

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3.	(a)		<table><tr><th>Field research</th><td rowspan="5">whereas</td><th>Desk research</th></tr><tr><td>gathering new information</td><td>analysing information that already exists</td></tr><tr><td>appropriate to what is being researched</td><td>may not be specific to information wanted</td></tr><tr><td>can be expensive</td><td>can be inexpensive</td></tr><tr><td>may take time to prepare, carry out and analyse</td><td>less time to gather</td></tr><tr><td colspan="3">both should allow an organisation to find out what customers want</td></tr><tr><td colspan="3">both are forms of market research</td></tr></table>	Field research	whereas	Desk research	gathering new information	analysing information that already exists	appropriate to what is being researched	may not be specific to information wanted	can be expensive	can be inexpensive	may take time to prepare, carry out and analyse	less time to gather	both should allow an organisation to find out what customers want			both are forms of market research			3	<p>Award <b>1 mark</b> for each valid comparison.</p> <p>Accept any other suitable response.</p>
Field research	whereas	Desk research																				
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both should allow an organisation to find out what customers want																						
both are forms of market research																						
	(b)		<ul style="list-style-type: none"><li>• to reduce the risk of failure</li><li>• to appeal to a variety of market segments</li><li>• may mean launching a new product is easier</li><li>• your business may be more well-known/better brand recognition<ul style="list-style-type: none"><li>◦ which may create a good reputation</li></ul></li><li>• if one product receives a bad reputation this might impact on other products</li><li>• costs may be high in terms of advertising/promotion<ul style="list-style-type: none"><li>◦ purchasing/maintaining machinery</li></ul></li><li>• training of staff for each product will be time consuming</li></ul>	5	<p>Candidates must describe at least <b>one</b> cost and <b>one</b> benefit to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept any other suitable response.</p>																	

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	(c)		<table><tr><th>Penetration</th><td rowspan="6">whereas</td><th>Skimming</th></tr><tr><td>the product is introduced at a low price</td><td>the product is introduced at a high price</td></tr><tr><td>the price will later be increased</td><td>the price is later decreased</td></tr><tr><td>used in highly competitive markets</td><td>used in markets with little/no competition</td></tr><tr><td>used to entice consumers to switch from other brands and try the new product</td><td>allows the business to make high profits before competitors enter the market</td></tr><tr><td colspan="2">both are short term pricing strategies</td></tr><tr><td colspan="3">both are used when introducing new products to the market</td></tr></table>	Penetration	whereas	Skimming	the product is introduced at a low price	the product is introduced at a high price	the price will later be increased	the price is later decreased	used in highly competitive markets	used in markets with little/no competition	used to entice consumers to switch from other brands and try the new product	allows the business to make high profits before competitors enter the market	both are short term pricing strategies		both are used when introducing new products to the market			3	Award <b>1 mark</b> for each valid comparison.  Accept any other suitable response.
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	(d)		<p>Responses could include</p> <ul style="list-style-type: none"><li>• check to see if targets have been achieved</li><li>• check to see if profits have increased</li><li>• check sales levels to see if they have improved</li><li>• issue questionnaires to customers for their views<ul style="list-style-type: none"><li>○ check to see if the business reputation has improved</li></ul></li><li>• evaluate decision with the staff for their views on its success</li><li>• monitor staff morale following decisions</li><li>• monitor staff absence rates following decisions</li><li>• monitor staff turnover rates following decisions</li></ul>	4	Candidates must describe at least <b>2</b> ways to gain full marks.  Award <b>1 mark</b> for each valid description.  Award <b>1 mark</b> for each valid development.  Accept any other suitable response.																

Question			Expected response(s)	Max mark	Additional guidance
4.	(a)		<p>Responses could include</p> <ul style="list-style-type: none"> <li>• bank loan – a sum of money borrowed from the bank paid back with interest</li> <li>• mortgage - a sum of money borrowed against property/land <ul style="list-style-type: none"> <li>○ may be repossessed eventually if payments are not made</li> </ul> </li> <li>• venture capitalists - invest in an organisation for a share of equity <ul style="list-style-type: none"> <li>○ the business is typically a risky investment</li> </ul> </li> <li>• selling shares/issue new shares - shareholders invest in the organisation</li> <li>• local/national government grants - receiving money which does not have to be paid back</li> <li>• sale and leaseback of any assets</li> <li>• sell off assets/sale of unwanted assets</li> <li>• debentures – investors give money to a PLC in return for annual interest with the lump sum paid back at the end of the term</li> <li>• reinvestment of retained profits</li> </ul>	3	<p>Candidates must describe at least <b>2</b> sources to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for a valid development.</p> <p>Accept any other suitable response.</p>

Question			Expected response(s)	Max mark	Additional guidance
	(b)		<p>Responses could include</p> <ul style="list-style-type: none"> <li>• <b>sales revenue/turnover</b> - the amount of money generated through the sale of goods</li> <li>• <b>cost of sales</b> - the amount it has cost the business to produce their goods</li> <li>• <b>purchases</b> - the amount spent on raw materials/products</li> <li>• <b>sales returns</b> - the amount of goods returned to the business by customers</li> <li>• <b>purchase returns</b> - the amount of goods returned to the supplier by the business</li> <li>• <b>carriage inwards</b> - the amount of delivery charges paid to have raw materials delivered to the business</li> <li>• <b>opening inventory</b> - the value of inventory the business owns at the beginning of the year</li> <li>• <b>closing inventory</b> - the value of inventory the business owns at the end of the year</li> <li>• <b>gross profit</b> - the sales revenue minus the cost of sales</li> <li>• <b>expenses</b> - costs incurred by the organisation (that are not directly linked to trading)</li> <li>• <b>profit for the year</b> - the overall profit or loss that the business has made over a financial time period after all expenses have been paid/gross profit - expenses</li> </ul>	4	<p>Candidates must describe <b>4</b> pieces of financial information to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Accept correct formulae eg <b>GP = SR - COS</b>.</p> <p>Accept any other suitable response.</p>



Question			Expected response(s)	Max mark	Additional guidance
	(c)		<p>Responses could include</p> <ul style="list-style-type: none"> <li>• specialists can be used to do the work - which should mean better quality</li> <li>• reduces staff costs in the area that has been outsourced – which may result in increased profits</li> <li>• outsourced companies will have specialist equipment – which would mean the organisation can sell their equipment</li> <li>• do not need to purchase specialist equipment – which will reduce up-front costs</li> <li>• the specialist company can gain economies of scale – which will reduce unit costs/allow them to quote a cheaper price</li> <li>• the service needs only to be paid for when required – which means organisations do not need to pay for machinery/staff that are sitting idle</li> <li>• organisations can concentrate on core activities – which should result in the organisation producing a better core product/service</li> <li>• organisations can lose control over outsourced work – therefore communication needs to be very clear or mistakes can arise</li> <li>• loss of confidentiality – which may mean the organisation has data protection issues to consider</li> </ul>	5	<p>Candidates must explain at least <b>2</b> effects to gain full marks.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept any other suitable response.</p>

Question			Expected response(s)	Max mark	Additional guidance
	(d)		<p>Responses could include</p> <ul style="list-style-type: none"> <li>• Fairtrade mark can attract customers <ul style="list-style-type: none"> <li>○ the price can be increased</li> </ul> </li> <li>• producers are protected from low and volatile market prices</li> <li>• farmers' and workers' rights are protected <ul style="list-style-type: none"> <li>○ to ensure appropriate working conditions/fair wage/quality of life</li> </ul> </li> <li>• it can be time consuming and costly to become Fairtrade certified <ul style="list-style-type: none"> <li>○ certain rules and regulations can be difficult to meet</li> </ul> </li> <li>• products tend to be more expensive for the consumer</li> <li>• can give an organisation a positive ethical image</li> </ul>	3	<p>Candidates must discuss at least <b>one</b> cost and <b>one</b> benefit to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Award <b>1 mark</b> for a valid development.</p> <p>Accept any other suitable response.</p>

Question			Expected response(s)	Max mark	Additional guidance
5.	(a)		<p>Responses could include</p> <ul style="list-style-type: none"> <li>• primary – extract raw materials from their natural environment</li> <li>• secondary – manufacture products from raw materials</li> <li>• tertiary – provide a service</li> <li>• quaternary – involved in hi-tech research and information services</li> </ul>	4	<p>Candidates must describe <b>4</b> sectors of industry to gain full marks.</p> <p>Award <b>1 mark</b> for each valid description.</p> <p>Accept any other suitable response.</p>
	(b)		<p>Responses could include</p> <p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• employee performance can be evaluated</li> <li>• feedback/praise is given on recent employee performance <ul style="list-style-type: none"> <li>○ can increase employee job satisfaction/motivation</li> </ul> </li> <li>• expectations/targets can be set for the employee</li> <li>• assess the employee's potential for promotion</li> <li>• it is an opportunity to identify development needs of employees <ul style="list-style-type: none"> <li>○ can discuss/set up training</li> </ul> </li> <li>• may be linked to bonus schemes or pay increases</li> <li>• can improve communications between managers and staff</li> <li>• employees will have a better understanding of how to do their job</li> </ul> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• having a formal meeting may be stressful for some employees</li> <li>• negative feedback can demotivate employees</li> <li>• can be time-consuming for the HR department</li> <li>• some staff may resent that appraisal leads to other staff (and not them) getting a pay rise/bonus <ul style="list-style-type: none"> <li>○ or other staff receive a promotion</li> </ul> </li> </ul>	5	<p>Candidates must discuss at least <b>one</b> advantage and <b>one</b> disadvantage to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Watch for flips.</p> <p>Accept any other suitable response.</p>

Question			Expected response(s)	Max mark	Additional guidance
	(c)		<p>Responses could include</p> <p><b>Worker directors</b></p> <ul style="list-style-type: none"> <li>allow the views of the workers to be taken into account – so employees feel that they have ownership of ideas in the decision-making process</li> </ul> <p><b>Works councils/consultative committees</b></p> <ul style="list-style-type: none"> <li>allow employees and managers to discuss change – which will reduce resistance to change from employees/encourages teamwork and collaboration/reduces the risk of industrial action</li> </ul> <p><b>Quality circles</b></p> <ul style="list-style-type: none"> <li>involves shop-floor workers being consulted on how to improve the quality of product – which makes employees feel involved in decision making/employees feel that their expertise and experience in working with the product are valued/employees are given a sense of ownership which will encourage a team ethos</li> </ul>	3	<p>Candidates must explain <b>one</b> benefit in each category to gain full marks.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Accept any other suitable response.</p>
	(d)		<p>Responses could include</p> <ul style="list-style-type: none"> <li>will allow the organisation to analyse the labour market <ul style="list-style-type: none"> <li>to predict shortages in suitably skilled staff in the future</li> </ul> </li> <li>it will allow the organisation to see when new staff will be required in the future</li> <li>the organisation will be able to identify any training needs</li> <li>the organisation may be able to plan for employees retiring <ul style="list-style-type: none"> <li>can identify whether or not they should be replaced</li> </ul> </li> </ul>	3	<p>Award <b>1 mark</b> for each valid description.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept any other suitable response.</p>

[END OF MARKING INSTRUCTIONS]