



Cambridge International AS & A Level

BUSINESS

9609/22

Paper 2 Data Response

March 2020

MARK SCHEME

Maximum Mark: 60

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the March 2020 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

This document consists of **15** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer	Marks																
1(a)(i)	Define the term ‘job production’ (line 1)	2																
	<table><tr><th>Knowledge</th><th>Marks</th></tr><tr><td>A correct definition</td><td>2</td></tr><tr><td>A partial, vague or unfocused definition</td><td>1</td></tr><tr><td>No credible content</td><td>0</td></tr></table>		Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No credible content	0								
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	• one by one/made individually/one at a time • for a specific customer/order/not repeated/high standard/custom work/skilled labour																	
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1(a)(ii)	Explain the term ‘opportunity cost’ (line 4) Award one mark for each point of explanation <table border="1"> <thead> <tr> <th>Point</th><th>Explanation</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>C</td><td>Example or some other way of showing good understanding – e.g. Affordability, time issues, choice, scarcity</td><td>1</td></tr> <tr> <td>B</td><td>Understanding of foregone/not used</td><td>1</td></tr> <tr> <td>A</td><td>Understanding of the concept of ‘next best’</td><td>1</td></tr> </tbody> </table> Note: C mark can only be awarded if A and B marks have already been awarded <table border="1"> <thead> <tr> <th>Exemplar</th><th>Rationale</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>Opportunity cost is the value of the next best option foregone, due to time or cost issues.</td><td>All three elements</td><td>3</td></tr> <tr> <td>The value of the second best option that is not chosen as it is not as good as the first.</td><td>All three elements</td><td>3</td></tr> <tr> <td>Opportunity cost is the value of the next best option foregone</td><td>A and B</td><td>2</td></tr> <tr> <td>The next best option foregone</td><td>A and B</td><td>2</td></tr> <tr> <td>A lost option</td><td>B</td><td>1</td></tr> <tr> <td>Using the best option only</td><td>NAQ</td><td>0</td></tr> </tbody> </table>	Point	Explanation	Marks	C	Example or some other way of showing good understanding – e.g. Affordability, time issues, choice, scarcity	1	B	Understanding of foregone/not used	1	A	Understanding of the concept of ‘next best’	1	Exemplar	Rationale	Marks	Opportunity cost is the value of the next best option foregone, due to time or cost issues.	All three elements	3	The value of the second best option that is not chosen as it is not as good as the first.	All three elements	3	Opportunity cost is the value of the next best option foregone	A and B	2	The next best option foregone	A and B	2	A lost option	B	1	Using the best option only	NAQ	0	3
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1(c)	Analyse <u>two</u> benefits to Bob of using cost-based pricing.					8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks	
	2b	Shows understanding of two benefits of cost-based pricing <i>a in context</i>	4	Developed analysis on Bob of two benefits of cost-based pricing <i>in context</i>	4	
	2a	Shows understanding of one benefit of cost-based pricing <i>in context</i>	3	Developed analysis on Bob of one benefit of cost-based pricing <i>in context</i>	3	
	1	Shows knowledge of two benefits of using cost-based pricing	2	Limited analysis on a business of two benefits of cost-based pricing	2	
		Shows knowledge of one benefit of using cost-based pricing	1	Limited analysis on a business of one benefit of cost-based pricing	1	
	0	No creditable content				
Knowledge A method of creating a selling price based on relevant factors Putting the same mark up on all products regardless of other variables/factors Benefits include: • Easy to use • Quick to calculate • Covers all costs • Can be used in a dynamic market • Allows for pricing of 'one-off' products • Can be used for new/innovative products ARA Context/content/analysis: • Will never make a loss on any garden benches made (<i>APP/AN</i>) and will lead to better forecasting (<i>ANAN</i>) • Is responsive to changes in the cost of raw materials (<i>k</i>) such as wood (<i>APP</i>) which means that costs will always be covered (<i>an</i>) and may reduce the selling price if costs fall (<i>ANAN</i>)						

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1(d)	Refer to Table 1.1 and any other relevant information. Recommend which of the two options Bob should choose. Justify your recommendation.				11																																				
<table><tr><th>Knowledge and Application (4 marks)</th><th>Marks</th><th>Analysis and Evaluation (7 marks)</th><th>Marks</th></tr><tr><td></td><td></td><td>Justified recommendation based on argument <i>in context</i></td><td>7</td></tr><tr><td></td><td></td><td>Developed recommendation based on argument <i>in context</i></td><td>6</td></tr><tr><td></td><td></td><td>An evaluative statement / recommendation based on argument <i>in context</i></td><td>5</td></tr><tr><td>Shows understanding of two factors affecting decision making of both options <i>in context</i></td><td>4</td><td>A balanced argument based on analysis of both options available to <i>Bob's Furniture</i></td><td>4</td></tr><tr><td>Shows understanding of factor affecting decision making of one option <i>in context</i></td><td>3</td><td>Argument based on analysis of one option available to <i>Bob's Furniture</i></td><td>3</td></tr><tr><td>Shows knowledge of two factors affecting decision making in a business</td><td>2</td><td>Limited analysis of two factors affecting decision making</td><td>2</td></tr><tr><td>Shows knowledge of one factor affecting decision making in a business</td><td>1</td><td>Limited analysis of one factor affecting decision making in a business</td><td>1</td></tr><tr><td colspan="4">No creditable content</td></tr></table>						Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks			Justified recommendation based on argument <i>in context</i>	7			Developed recommendation based on argument <i>in context</i>	6			An evaluative statement / recommendation based on argument <i>in context</i>	5	Shows understanding of two factors affecting decision making of both options <i>in context</i>	4	A balanced argument based on analysis of both options available to <i>Bob's Furniture</i>	4	Shows understanding of factor affecting decision making of one option <i>in context</i>	3	Argument based on analysis of one option available to <i>Bob's Furniture</i>	3	Shows knowledge of two factors affecting decision making in a business	2	Limited analysis of two factors affecting decision making	2	Shows knowledge of one factor affecting decision making in a business	1	Limited analysis of one factor affecting decision making in a business	1	No creditable content			
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Annotate the first option on the LHS and the second option on the RHS																																									
Answers could include: • The opportunity costs associated with choosing option X over option Y (time taken, costs etc) • The upselling opportunity offered from selling a complimentary product • The potential brand dilution of selling lower quality garden furniture affecting the premium core business • Maximising usage and profit potential of raw materials for option 2																																									
Any answer which does not reference either option 1 or 2 and focuses only on the core business cannot score higher than limited analysis (i.e. 2 + 2)																																									

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2(a)(i)	Define the term ‘market segment’ (lines 5–6)	2																			
	<table><tr><th>Knowledge</th><th>Marks</th></tr><tr><td>Reference to groups of potential customers with similar characteristics</td><td>2</td></tr><tr><td>Reference to groups of potential customers OR similar characteristics</td><td>1</td></tr><tr><td>No credible content</td><td>0</td></tr></table>		Knowledge	Marks	Reference to groups of potential customers with similar characteristics	2	Reference to groups of potential customers OR similar characteristics	1	No credible content	0											
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1667	No creditable content	0																								

Question	Answer	Marks																		
2(b)(ii)	Explain <u>two</u> factors which may influence the demand for Joe's product. <table border="1"> <thead> <tr> <th>Level</th><th>Knowledge and Application</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>2 (APP)</td><td>Explanation of two factors influencing demand <i>in context</i></td><td>4</td></tr> <tr> <td>2 (APP)</td><td>Explanation of one factor influencing demand <i>in context</i></td><td>3</td></tr> <tr> <td>1b (KK)</td><td>Knowledge of two factors affecting demand</td><td>2</td></tr> <tr> <td>1a (K)</td><td>Knowledge of one factor affecting demand</td><td>1</td></tr> <tr> <td>0</td><td>No creditable content</td><td>0</td></tr> </tbody> </table> Context is likely to come from: • The weather – smoothies are more likely to be consumed in summer • The ingredients used in the smoothies – local tastes • The price – comparable to competitors/whether the drinks are affordable • The health culture – is it important? ARA	Level	Knowledge and Application	Marks	2 (APP)	Explanation of two factors influencing demand <i>in context</i>	4	2 (APP)	Explanation of one factor influencing demand <i>in context</i>	3	1b (KK)	Knowledge of two factors affecting demand	2	1a (K)	Knowledge of one factor affecting demand	1	0	No creditable content	0	4
Level	Knowledge and Application	Marks																		
2 (APP)	Explanation of two factors influencing demand <i>in context</i>	4																		
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1a (K)	Knowledge of one factor affecting demand	1																		
0	No creditable content	0																		

Question	Answer				Marks																												
2(c)	Analyse <u>two</u> methods of primary market research that Joe could use.				8																												
<table><tr><th>Level</th><th>Knowledge and application</th><th>Marks</th><th>Analysis</th><th>Marks</th></tr><tr><td rowspan="2">2</td><td>Understanding of two methods of primary market research <i>in context</i></td><td>4</td><td>Developed analysis of two appropriate methods of primary research <i>in context</i></td><td>4</td></tr><tr><td>Understanding of one method of primary market research <i>in context</i></td><td>3</td><td>Developed analysis of one appropriate method of primary research <i>in context</i></td><td>3</td></tr><tr><td rowspan="2">1</td><td>Knowledge of two methods of primary market research</td><td>2</td><td>Limited analysis of two methods of primary research</td><td>2</td></tr><tr><td>Knowledge of one method of primary market research</td><td>1</td><td>Limited analysis of one method of primary research</td><td>1</td></tr><tr><td>0</td><td colspan="3">No creditable content</td><td></td></tr></table>						Level	Knowledge and application	Marks	Analysis	Marks	2	Understanding of two methods of primary market research <i>in context</i>	4	Developed analysis of two appropriate methods of primary research <i>in context</i>	4	Understanding of one method of primary market research <i>in context</i>	3	Developed analysis of one appropriate method of primary research <i>in context</i>	3	1	Knowledge of two methods of primary market research	2	Limited analysis of two methods of primary research	2	Knowledge of one method of primary market research	1	Limited analysis of one method of primary research	1	0	No creditable content			
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0	No creditable content																																
Annotate the first method in the left hand margin and the second in the right hand margin. If more than two methods are attempted, mark the ones that would give the candidate the highest mark allocation. Note: Quantitative and qualitative are not methods of primary market research Content/context and analysis: - Field research: testing the product on potential customers - Surveys and questionnaires: can gain a wider range of potential customer opinions and feedback - Focus groups: can have justified potential customer feedback ARA Do not reward sampling as a method																																	

Question	Answer				Marks
2(d)	Discuss sources of finance Joe could use to start up his business.				11
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified evaluation based on arguments <i>in context</i>	7	
			Developed evaluation based on arguments <i>in context</i>	6	
			An evaluative statement based on arguments <i>in context</i>	5	
	Understanding of two sources of finance <i>in context</i>	4	Developed argument of two or more external sources of finance <i>in context</i>	4	
	Understanding of one source of finance <i>in context</i>	3	Developed argument of one external source of finance <i>in context</i>	3	
	Knowledge of two sources of finance	2	Limited analysis of two sources of finance	2	
	Knowledge of one source of finance	1	Limited analysis of one source of finance	1	
Annotate the first source in the left hand margin and the second in the right hand margin. If more than two sources are attempted, mark the ones that would give the candidate the highest mark allocation. Contextual analysis likely to come from: - Bank overdraft as the costs are low and likely to be repaid in the short term - Bank loan as the capital investment of \$2k may be too high for an overdraft - Government start-up grant as he is setting up a new business and may create jobs Evaluation is likely to come from: - Short and long term ambitions of Joe - Joe's attitude to risk - Joe's ability to persuade banks to lend him the start-up capital ARA					